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Department of Justice Financial Litigation Annual Report

December, 1991

**Western District
Court Collections**

Total \$6 Mil'

**U.S. Attorney in L.A.
Collects \$89 Million**

**U.S. Attorney Top
Earnings Top
Its Expenses**

**\$4.5 million collected
includes fines, forfeitures**

**U.S. using new law
to collect on debts**

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The Washington Times

**U.S. socks doctor
for not paying bill**

**Law
draws
profit**

**\$34 million is
triple windfall**

**against
debtors**

**\$7 million snared
from deadbeats**

COMPLETED

**Prosecutors
seize 4 times
their budget**

**Feds Recover
\$21 Million in
Depts**

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Charleston

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DEPARTMENT OF JUSTICE
FINANCIAL LITIGATION
ANNUAL REPORT

DECEMBER, 1991

STATEMENT

I am pleased to present the first Department of Justice Annual Report on Financial Litigation.

It highlights the achievements of FY 1991 and states the Department's goals for FY 1992. The financial litigation efforts reflected here and planned for the future represent a high priority of the Department toward recovering the monies owed the Federal government.

A handwritten signature in black ink, appearing to read "George J. Terwilliger, III". The signature is fluid and cursive, with a large initial "G" and "T".

George J. Terwilliger, III

Acting Deputy Attorney General

COMMENDATIONS

This report represents the first, Department-wide attempt to acknowledge the efforts undertaken by the Department of Justice through its staff in United States Attorneys' Offices, and its other litigating components over the past fiscal year. The successes which we have achieved through FY 1991 are commendable, and will result in increased collection of debts owed to the American people, whether through repayment to the Treasury or other designated funds.

These successes, however would not be possible without the strong endorsement and support of Attorney General William P. Barr, who signed the Department's Financial Litigation Plan as Deputy Attorney General, and has expressed his continued interest in the Department's financial litigation efforts.

The achievements noted in the report, and our goals for the future, are also reflective of the sound leadership of the United States Attorney for the Western District of Kentucky, Joseph P. Whittle, Chairman of the Attorney General's Advisory Committee (AGAC), and Charles W. Larson, Chairman of the AGAC Subcommittee on Financial Litigation. Their commitment to financial litigation is far reaching, and has ranged from vital input through their role in the Committee to the personal attention they have given to making their Districts shining examples of implementing our financial litigation goals at the operational level.

Others to be commended include Associate Deputy Attorney Generals, John Smeitanka and Mark Gidley, who expressed their interest and support in the development

of a Department-wide, comprehensive debt collection effort, pioneered some of the Department-wide initiatives incorporated into our overall financial litigation policy, and worked for adoption of the Federal Debt Collection Procedures Act of 1990.

Acting Deputy Attorney General, George J. Terwilliger III, and Associate Deputy Attorney General, Kristine M. Marcy, have also served as advocates of our efforts and assisted in our efforts to better manage the Department's financial litigation mission.

Finally, others within the Department, who have contributed enormously over the last year have been Robert Ford, Deputy Assistant Attorney General - Debt Management Collection, as well as Imogene McCleary, Special Assistant, and Diane Miller, Program Manager of the Nationwide Central Intake Facility, on his staff. Also, there have been tremendous efforts put forth by Richard W. Sponseller, Associate Director - Executive Office for United States Attorneys, Financial Litigation; Kathleen Haggerty and Nancy Rider - Assistant Directors, Executive Office for United States Attorneys, Financial Litigation; Leland E. Beck - Senior Counsel, Office of Policy Development; Paul Horner - Chief, Inmate Financial Responsibility Program, Bureau of Prisons; and John Showalter - Assistant Director, Commercial Litigation Branch, Rick Nockett - Trial Attorney, Commercial Litigation Branch, and John Hodgdon - Special Projects Officer, all of the Civil Division and who were instrumental in getting our Financial Litigation Plan together. A special commendation goes to Harriet S. Brown, who compiled this report and monitors all

the financial litigation data flowing into the Office of the Deputy Attorney General.

These constitute just a few of the many outstanding members of our financial litigation team. Our success to date is the direct result of the hard work put in by each and every one involved in financial litigation. Meeting our future challenges and successes will rest with a continued commitment and dedication of this nationwide team. This report is intended to highlight some of these major achievements made possible by this overall effort and serve as an acknowledgement of the contributions made by all in financial litigation.

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FOREWORD

Over the course of the last year, the Department of Justice has made tremendous strides in the area of Financial Litigation. Attorney General Dick Thornburgh made a commitment toward maximizing the amount of money the Department collects, whether in traditional debt collection litigation, affirmative civil litigation, criminal fine imposition and collection, and in the collection of bonds and user fees. Additionally, the passage of major legislation sought by the Department, the Federal Debt Collection Procedures Act of 1990, has allowed our United States Attorneys and litigation divisions to pursue collections more vigorously than had previously been possible under a myriad of conflicting state laws. The Department has pursued a number of initiatives, focused oversight of debt collection activities through a centralized and planned approach, enhanced training efforts, and sought greater coordination with its client agencies and the United States Department of the Treasury.

As a result, a number of achievements and success stories have taken place during the year. These include:

- cash collections for FY 1991 totalling over \$766 million (\$117 million more than recovered in any of the last nine fiscal years);
- an estimated total collection amount for FY 1991 of over \$1.1 billion (including property seized, and offsets), based on the data compiled by the United States Attorneys' Offices and the Department components in accordance with the Department-wide Financial Litigation

Plan for the preliminary reporting of FY 1991 data. This represents an amount larger than the prior year, and only the second year with an estimated excess of \$1 billion;

- over 1,100 employees of client agencies attending joint Department of Justice/Department of Treasury Financial Litigation Training sessions;
- all 93 United States Attorney Offices and all Department of Justice components with financial litigation responsibilities having developed comprehensive Financial Litigation Plans which are now being implemented; and
- intensive training for lawyers and paralegals on the new Federal Debt Collection Procedures Act, special training programs for Special Assistant United States Attorneys (SAUSAs), and joint United States Attorney Office/Probation Officer training sessions for the improvement of criminal fine collections.

These successes, along with many others noted in this report, are a starting point, directing a continued commitment to secure funds owed to the taxpayers and to assist victims of crime. The Office of Management and Budget, Congressional Committees, and the Department of Justice's Inspector General (IG) have addressed areas of concern in previous debt collection procedures. The Department's accomplishments over the last year attest to

the fact that these concerns are efficiently being addressed. Furthermore, through the Department's comprehensive planning approach, each component and United States Attorney Office now has defined financial litigation goals and objectives to meet the challenges of the future and ensure total quality management.

This annual report documents these achievements and highlights the varied activities of the Department, its components, and United States Attorneys' Offices in the area of financial litigation for FY 1991.

OBJECTIVES AND GOALS FOR 1992

FY 1992 OBJECTIVES

The overall objective for FY 1992 in the Department's financial litigation efforts is to ensure excellence in the mission to secure the maximum amount of funds owed, whether in traditional debt collection litigation, affirmative civil litigation, criminal fine imposition and collection, or the collection of bonds and user fees.

To enhance and secure the maximum collection of debts, the Department will strive to fairly initiate and implement effective financial litigation and debt collection methods through training, introducing new approaches, improved performance monitoring, and total quality management.

FY 1992 GOALS

- o To fairly implement the Federal Debt Collection Procedures Act of 1990, ensuring its utilization to the maximum extent by all Justice Financial Litigation components. The Act will be continuously reviewed to determine if any further legislative changes would be appropriate to enhance the effectiveness of our financial litigation efforts.
- o To insure that Department of Justice Financial Litigation records are accurate and maintained in a format that will enable access to caseload and collection information required to monitor performance and report on the status of operations and the complete debt portfolio on a timely basis.
- o To expand the Nationwide Central Intake Facility (NCIF) and develop a system to minimize the processing of payments by individual Justice components.
- o To continue to emphasize increased performance in the collection of Criminal Fines, restitution, penalties, forfeitures as a high priority. Justice will continue to support the implementation of the National Fine Center.
- o To ensure compliance with the Financial Litigation Plan and update the plan as appropriate.

HIGHLIGHTS OF FY 1991 DEPARTMENT OF JUSTICE FINANCIAL LITIGATION

MAJOR DEPARTMENT OF JUSTICE ACHIEVEMENTS:

Over the course of Fiscal Year 1991, the Department of Justice has:

- o Collected over \$766 million in cash in FY 1991 (\$117 million more than recovered in any of the last nine fiscal years). Over \$4.5 billion in cash has been collected since FY 1982.*
- o Completed its second year of total collections with an estimated excess of \$1 billion. Based on the data compiled by the United States Attorneys' Offices and the Department's litigating components in accordance with the Department-wide Financial Litigation Plan for the preliminary reporting of FY 1991 data, this represents an amount over the prior year, and only the second year with an estimated excess of \$1 billion;*
- o Obtained judgments and settlements of \$4.2 billion through the Civil Division (\$3.7 billion of this from a Rural Electrification Administration (REA) settlement).*
- o Established a Department-wide Financial Litigation Policy providing appropriate oversight, coordination of statistical reporting, and collection activity monitoring under Associate Deputy Attorney General for Financial Litigation (ADAG).*
- o Successfully pressed for Congressional enactment of and engaged in vigorous implementation of Federal Debt Collection Procedures Act (FDCPA) of 1990. The Act was enacted on November 29, 1990 and went into effect on May 29, 1991, and establishes uniform procedures for debt collection, eliminates state barriers to collection, and provides discovery and other remedies.*

Trained all Department of Justice financial litigation staff on highly effective collection tools authorized by the FDCPA of 1990 through numerous training programs nationwide.

- o Established, on October 1, 1990, the Nationwide Central Intake Facility (NCIF) to process debts under \$500,000 referred to the United States Attorneys. In FY 1991, over 26,000 referrals valued at over \$457 million were processed at NCIF.*
 - The NCIF enables the Department to collect and report data such as the number and dollar value of referred debts, their referral dates, referring agencies, age of referred debts, and the name of the United States Attorneys' Office or that of private counsel, retained by the Department, to which they are referred.*
 - NCIF tracking capability indicated problems in client agency referral reporting on Treasury Department "Schedule 9's". The Department of Justice is working with the Office of Management and Budget and the Federal Credit Policy Working Group to reconcile agency numbers. This should rectify previous negative reports to Congress on alleged Department of Justice reporting inaccuracies.*
 - NCIF allows pre-screening of referred debts to ensure that debts are ready for litigation.*
- o Jointly conducted with the Treasury Department over 17 training programs throughout the country on how to submit quality cases to the Department for litigation, reaching over 1,100 working-level client agency staff. As a result of the training, the rejection rate of case referrals was reduced by 50 percent in the first six months of FY 1991.*
- o Developed detailed comprehensive financial litigation plans for each Department of Justice component with financial litigation responsibilities and the 93 United States Attorney offices based on a Department-wide plan issued in July, 1991.*
 - Plans are monitored regularly by the Associate Deputy Attorney General for Financial Litigation.*
 - Plans mandate yearly meetings with civil clients, as well as with United States District Court Clerks, and Probation Officers to ensure coordination, cooperation and communication and to promote more effective collection of civil debts and criminal fines.*

Seventy one United States Attorneys' Offices held joint training conferences attended by over 3,100 Assistant United States Attorneys, Victim/Witness Coordinators, Probation Officers, and Clerks of Court.

- o Developed an ambitious training program for appointing, training, and utilizing Special Assistant United States Attorneys (SAUSAs) from client agencies. A new manual is being written especially for civil SAUSAs.*
- o Emphasized affirmative litigation in bankruptcy, civil fraud, and mortgage foreclosure cases in order to increase recoveries.*
- o Focused attention of United States Attorneys on how to improve financial litigation programs through training endorsed by the Financial Litigation Subcommittee of the Attorney General's Advisory Committee of United States Attorneys.*
- o Vigorously pursued efforts through the media, and other channels to encourage voluntary compliance so that debtors will pay the sums they owe without the necessity of litigation.*
- o Developed a Department-wide debt collection statistical format for total collections, including offsets and property recovery.*
- o Developed and distributed a new, streamlined Claims Collection Litigation Report (CCLR) designed to facilitate the process of agency case referral from client agencies to the Department of Justice, and enabled greater automated tracking of each claim.*
- o Began planning the implementation of an on-line debarment enforcement system, allowing screening of applicants for Federal program benefits and debarment of those with Federal unpaid judgments outstanding against them.*
- o Achieved much greater use of the Department of Justice lock box accounts, thereby enhancing the Department's internal controls for debt collection.*

LEGISLATIVE AND REGULATORY ACTIVITIES:

PASSAGE OF FEDERAL DEBT COLLECTION PROCURES ACT

The Federal Debt Collection Procedures Act of 1990 (FDCPA) is a Department of Justice initiative. It was drafted under the supervision of United States Attorneys, and enacted as Title XXXVI of the Crime Control Act of 1990, P.L. 101-647 (28 U.S.C. 3001-3308), on November 29, 1990. The Act is codified at 28 U.S.C. Section 3001 et seq. The draft Act was authored by a team of Assistant United States Attorneys, under the leadership of Kathleen Haggerty of the Executive Office for United States Attorneys.

Prior to adoption of the FDCPA, collection of Federal debts was hampered by a variety of inadequate, non-existent or conflicting statutes among the 50 states. The prior system was unfair because, although all Federal borrowers benefitted from uniform lending regulations, when they defaulted, collection was based on the law of the debtor's state. The Government had great difficulty collecting because of diverse and often arcane state procedures. As a result, despite uniform lending policies, a Federal loan in Texas was collected differently than a Federal loan in Wyoming.

The FDCPA provides a tough new Federal law, which cuts across state lines, and enables the government to use uniform, effective new tools for collection. For example, the FDCPA enables the use of

garnishment on a nationwide basis and imposes a surcharge on delinquent debtors if the government is forced to sue to collect. The Act also preempts the most inhibiting barriers imposed under a myriad of state laws.

Highlights of the Act:

Most significantly, the FDCPA preempts inconsistent state laws, and for the first time, creates uniform procedures for the enforced collection of Federal debts. The FDCPA also provides for nationwide service of process and enforcement of Federal money judgments.

Furthermore, the Act creates a Federal scheme of prejudgment remedies, including attachment, receivership, garnishment and sequestration. One key feature of the FDCPA is the explicit authorization to conduct pretrial depositions on the financial condition of the debtor where the debt exceeds \$50,000. This rule, providing authority beyond the typical rules of discovery, allows the United States to determine the location and amount of assets prior to trial, thereby allowing the United States to determine in those cases if further litigation is necessary. The provision also helps track assets and avoids the dissipation of assets in major cases. This assures that prejudgment remedies can be employed to prevent debtors from secreting or transferring assets to avoid their obligations to the Federal government.

The Act allows the Federal government to recover the costs of litigation and enforced collection from the debtor through a 10% collection surcharge. The FDCPA creates a 20 year judgment lien which is renewable for 20 years. It creates a Federal scheme of postjudgment remedies (including execution, garnishment, and continuing wage garnishment) and specifically authorizes a court-ordered installment payment plan. The Act adopts the Uniform Fraudulent Transfers Act for recovering assets from Federal debtors who employ fraud to avoid paying debts owed to the United States.

Other features of the Act which are noteworthy and indicate the monumental nature of this legislation are:

- o it allows the Federal government to register money judgments from one United States District Court in another judicial district without regard to the expiration of the time to appeal or the pendency of an appeal;
- o it provides that, in the alternative, criminal and tax debts may be enforced under the Act, other Federal law or state law;
- o it leaves unchanged the remedies available to the Federal government to enforce security agreements such as mortgages;
- o it strengthens the standards for accepting security on bail bonds and permits the forfeiture of a bail bond to pay a criminal debt;

- o it authorizes the United States Attorneys to retain private process servers;
- o it requires that the United States District Court provide a copy of the presentence report to the attorney for the government for use in collecting a criminal fine;
- o it simplifies the procedure for suing a third-party who may be liable on a Federal debt;
- o it enables the Federal government to create standard policies, procedures and forms on debt collection litigation and to provide comprehensive training for its personnel in this area; and
- o it imposes a 10% surcharge on debts collected through litigation to cover the costs of litigation.

FEDERAL CREDIT POLICY WORKING GROUP

Revision of Agency Referral Forms:

During the course of the year, the Associate Deputy Attorney General for Financial Litigation and the Deputy Assistant Attorney General for Debt Collection Management attended the meetings of the Federal Credit Policy Working Group, an inter-agency task force under the policy oversight of the Office of Management and Budget. This year the Working Group and the Litigation Subgroup (chaired by the Department of Justice) have focused on a review of the Federal Claims

Collection Standards (FCCS), 4 C.F.R. Parts 101-105 and the revision of the Claims Collection Litigation Report (CCLR), used by agencies to refer claims to the Department of Justice for litigation and enforced collection.

The FCCS prescribes the regulations for administering collection, compromise and termination of agency claims, and for the referral of administratively uncollectible claims to the Department of Justice. This year, the Litigation Subgroup revised the CCLR, streamlining the cumbersome document into a shorter, single document presented in a more precise order and with clear guidance for agency use in reporting claims to the Department of Justice. As a result, the new CCLR will be used during FY 1992 and subsequent years by agencies in referring cases to the Nationwide Central Intake Facility (NCIF), facilitating debt collection tracking and quick referral to the United States Attorneys' Offices, or private counsel retained by the Department of Justice, as appropriate.

Revision of Regulations:

As part of the effort undertaken by the Litigation Subgroup, a determination was made to update the FCCS. This effort began in FY 1991, and the Department is working jointly with other agencies in this vein. The Department of Agriculture is heading a subgroup to rewrite the regulations to reflect changes in the CCLR and recommended changes in processing to be implemented in the future.

Reconciliation of Reporting Inconsistencies:

A major accomplishment this year has been the focusing of attention of the Working Group on the longstanding problem of reconciling the Department of Justices' records of client referrals with the data the client agencies have reported to the Department of the Treasury quarterly on the "Schedule 9" forms.

We have repeatedly challenged other agency "Schedule 9" numbers reported to Treasury as the main source of the inconsistent data. In many cases either the "Schedule 9" numbers were "educated guesses", or did not include the same type of data reflected in the Department of Justice referral records. However, the Office of Management and Budget had previously accepted these agency numbers as accurate and questioned the Department's case referral numbers. The "Schedule 9" reports were the basis of Congressional, GAO, and Office of Management and Budget criticism of the Department last year, claiming that the Department could not accurately account for the tracking of over \$5 billion worth of cases.

On the first day of FY 1991, the Department of Justice opened the National Central Intake Facility (NCIF) to process debts referred from our agency clients to the United States Attorneys' Offices and private counsel for litigation. The NCIF compiled data which demonstrated the inaccuracy of Schedule 9 data. As a result, the Department worked to persuade the Office of Management and Budget and the Treasury Department to accept our numbers and to re-examine the information reported on the "Schedule 9s" by client agencies. With the NCIF, referred debts are accounted

through a single, central location for control, prior to being distributed to the field, enabling the Department to track referrals accurately.

When data from NCIF was available, the Treasury Department closely scrutinized the data the major client agencies reported on the Schedule 9s and found a wide range of agency data discrepancies. The Federal Credit Policy Working Group also examined this issue and is working toward resolving these problems through an interagency Litigation Information Action Team, which will provide a final report with recommendations in early Spring of 1992.

We are grateful to the Office of Management and Budget for team leadership and support in our effort to arrive at accurate records.

CENTRALIZED SUPERVISION AND ACCOUNTABILITY:

APPOINTMENT OF ASSOCIATE DEPUTY ATTORNEY GENERAL

In FY 1991, the Attorney General delegated authority for all Department-wide debt management activities to the Office of the Deputy Attorney General. In December, 1990, Judge Tim Murphy was appointed as Associate Deputy Attorney General for Financial Litigation to establish Department-wide debt collection policy, provide appropriate oversight, coordinate statistical reporting, and monitor collection activity throughout the Department.

Judge Murphy worked closely with the Department's program components, litigating divisions, and the Executive Office for United States Attorneys in activities such as implementing the FDCPA and addressing debt collection and financial litigation management issues to enhance collections and affirmative claim litigation. He has also focused on providing Department-wide guidance in establishing the overall goals and objectives for the development of component and U.S. Attorneys Offices' Financial Litigation Plans and addressing key issues to facilitate debt collection management, particularly through coordination with client agencies and enlisting voluntary compliance.

Judge Murphy chairs a Financial Litigation Working Group, comprised of representatives from each Department of Justice component with affirmative claim litigation and debt collection functions.

Members of this group have contributed significantly to our efforts in FY 1991 and are as follows:

Tom King (Antitrust Division)

Paul Horner (Bureau of Prisons)

John Showalter (Civil Division)

Robert M. Hollis (Civil Division)

Rick Nockett (Civil Division)

John Hodgdon (Civil Division)

Ken Zwick (Civil Division)

Mac M'Conkey (Civil Rights Division)

Edith S. Levine (Criminal Division)

Dodie Steenland (Environment and Natural Resources Division)

Sandra Doyle (Environment and Natural Resources Division)

Kathleen Haggerty (Executive Office for United States Attorneys)

Frank Shippen (Executive Office for United States Attorneys)

Nancy Rider (Executive Office for United States Attorneys)

Eileen Menton (Executive Office for United States Attorneys)

Robert J. Egan (Immigration and Naturalization Service)

Michael Coster (Immigration and Naturalization Service)

Robert N. Ford (Debt Collection Management - Justice Management Division)

Kevin O'Hare (United States Marshals Service)

Leland E. Beck (Office of Policy Development)

Michael L. Paup (Tax Division)

Steven Shapiro (Tax Division)

The group worked extensively to develop the Department's Financial Litigation Plan, signed by then Deputy Attorney General William P. Barr on July 15, 1991.

**UNITED STATES ATTORNEYS'
ACTIVITIES – ATTORNEY GENERAL'S
ADVISORY COMMITTEE**

The Attorney General's Advisory Committee of United States Attorneys (AGAC), created to provide the United States Attorneys with a vehicle to address issues for consideration by the Attorney General, appointed a Financial Litigation Subcommittee focusing on the financial litigation efforts of the 93 United States Attorneys' Offices. During the year, the Subcommittee, chaired by the United States Attorney from Northern Iowa, Charles W. Larson, in conjunction with the Executive Office for United States Attorneys, has provided a centralized element for

coordinating the increased emphasis on financial litigation and major training programs on the FDCPA.

The current members of the Financial Litigation Subcommittee are as follows:

*Charles W. Larson (Chairman),
Northern District of Iowa*

*Lourdes G. Baird, Central District of
California*

*Michael M. Baylson, Eastern District
of Pennsylvania*

*Marvin Collins, Northern District of
Texas*

*Edgar W. Ennis, Middle District of
Georgia*

*Joyce J. George, Northern District of
Ohio*

*Philip N. Hogen, District of South
Dakota*

*James J. West, Middle District of
Pennsylvania*

*Deborah J. Daniels (Liaison),
Southern District of Indiana*

Additionally, during the year, the Executive Office for United States Attorneys appointed Richard Sponseller, an Assistant United States Attorney from the Middle District of Pennsylvania, as an Associate Director to oversee its Financial Litigation Staff. The staff has also focused on the tremendous training efforts associated with the FDCPA and development and

implementation of the 93 United States Attorneys' Offices Financial Litigation Plans.

NATIONWIDE CENTRAL INTAKE FACILITY

Past Accomplishments

One of the most notable achievements during the year has been the opening and successful operation of the Nationwide Central Intake Facility (NCIF). Through the coordinated efforts of the Deputy Assistant Attorney General for Debt Collection Management, Bob Ford, and the AGAC's Financial Litigation Subcommittee, the Department decided to expand the central intake facility concept, which had been tested in the private counsel pilot project, on a nation-wide basis. This allows the intake of civil debts referred to the Department of Justice by client agencies through a single "door", in lieu of being referred to the 93 individual United States Attorneys' Offices for processing. After processing, they are referred to the proper United States Attorneys' Office.

Thus, with the opening of the NCIF, on October 1, 1990, all non-bankruptcy civil debts of \$500,000 or less, have been directly referred to the intake facility. This has created, for the first time, the compilation of a single automated data base on these debts, and the production of periodic statistical reports for the Department, the referring agencies, the Treasury Department, and the Office of Management and Budget. As initiated, the NCIF facility:

- o provides centralized receipt of all debts under \$500,000, reducing agency confusion and enhancing internal controls;
- o ensures that debts are ready for referral to United States Attorneys' Offices for legal processing;
- o provides aging of delinquency for each debt and by agency portfolio;
- o creates an automated tracking system with a unique identifier for each claim referred; and
- o tracks the closing date of the debts.

The NCIF concept continued to evolve and improve as experience with the facility itself grew during FY 1991.

As noted earlier, as a result of the success of the NCIF concept in providing a central accounting point for processing claims, we have been able to coordinate much more closely with the Office of Management and Budget and the Treasury Department in obtaining a reconciliation of client agency claim referral data as reported on their "Schedule 9" reports to Treasury.

Beginning October 1, 1991, bankruptcy cases involving United States agencies will be included in the NCIF.

The NCIF concept will be further expanded in FY 1992, subject to resource constraints, to include the following kinds of information:

- o the dates judgments were obtained in the litigation of

referred debts;

- o the dollar amounts of judgments obtained;
- o the dollar amounts collected, or not collected, upon the completion of litigation; and
- o the data on debts that were already pending in the United States Attorneys' Offices before the NCIF began operation

This data will enable tracking of debts throughout the life cycle of the collection process and allow further evaluation of Department of Justice performance as well as the quality of each agency's debt referrals. This data will enhance the ability of the Department to track, monitor, and evaluate its collection performance. It will thereby eventually allow policy makers to adjust lending practices accordingly, by providing vital information on the performance of various debts based on their collectibility.

Future Directions

Other refinements are being considered as a result of the NCIF's success, and include the following recommendations to be implemented, if practicable, and subject to budgetary resources:

- o bridging electronically with the Treasury Department's automated systems;
- o issuing time payments plans with

machine-readable coupons to debtors;

- o obtaining on-line credit reports for every debtor referred;
- o reducing the number of debt collectors required to pursue delinquent civil debtors (so that more emphasis can be placed on collecting criminal fines) by increasing automation of routine tasks;
- o establishing electronic links to the referring client agencies' debt collection systems (enabling referrals to be transmitted electronically, and allowing agencies "read only" access);
- o creating a computerized touch tone telephone system to enforce the FDCPA debarment provisions;
- o broadening the scope to include referrals of debtors already having filed for bankruptcy;
- o converting the pilot sites to a second generation of the NCIF's automated debt collection/litigation tracking system, "COLLECTOR" (which communicates electronically with the pilot United States Attorneys Office and private counsel offices capturing all financial data tracking the entire collection and litigation process) for implementation at three sites; and
- o implementing a special project to deal with Housing and Urban Development (HUD) mortgage foreclosures.

REPORTING AND ACCOUNTABILITY:

DEPARTMENT OF JUSTICE FINANCIAL LITIGATION PLAN

A major accomplishment during the fiscal year has been the development of a Department Financial Litigation Plan, signed by the Deputy Attorney General on July 15, 1991. This represents the first plan to address the Department's activities and goals in the area of affirmative claim litigation and debt collection. The plan establishes a management framework for debt collection activities, adhering to the requirements of the Office of Management and Budget Circular A-129, "Managing Federal Credit Programs", and specifically meets the recommendations of the Department of Justice Inspector General Audit Report "Planning for Debt Collection Within the Department of Justice", of January 1990.

The Plan accomplished the following six objectives:

- o establishing a central management point within the Department, with overall responsibility for debt collection activity, providing appropriate oversight, coordinating statistical reporting, and monitoring collection activity throughout the Department;
- o ensuring reporting and accountability of affirmative claim litigation and debt collection activity within the Department;
- o ensuring Department-wide tracking

and improved automation of case tracking and case monitoring functions;

- o emphasizing increased efficiency of Civil and Criminal debt collection activity within the Department;
- o maintaining superior client service; and
- o assessing and evaluating proposals and projects for improving the Department's debt collection operations

The Plan also included specific tasks to carry out these objectives, which served as guidance for development of the individual Department component plans and plans of the 93 United States Attorneys' Offices.

The Plan was initially drafted by John Showalter, Rick Nockett, and John Hodgdon of the Civil Division with input from all components and interested client agencies. It was presented to the Inspector General, the Office of Management and Budget, client agencies, and other interested parties as the oversight document for the Department-wide financial litigation effort.

The Plan was established as an evolving document, to allow for changes and updates on a regular basis as a means of effectively addressing the dynamic requirements in this field. Implementation of the plan will be monitored during the

course of FY 1992.

Copies of the Department's Financial Litigation Plan are available, upon request, from the Associate Deputy Attorney General for Financial Litigation.

COMPONENT FINANCIAL LITIGATION PLANS

Individual Financial Litigation Plans have been developed by the following components:

- o Civil Division*
- o Criminal Division*
- o Tax Division*
- o Antitrust Division*
- o Environment and Natural Resources Division*
- o Civil Rights Division*
- o Immigration and Naturalization Service*
- o United States Marshals Service*
- o Bureau of Prisons*

Each of these plans conforms to the overall Departmental Financial Litigation Plan, and includes achievable goals, measurable objectives, realistic timeframes, and identified necessary resources. Changes

to these plans will be made on a regular basis, to update material and reflect changes in the Department's Plan.

UNITED STATES ATTORNEYS' OFFICES' FINANCIAL LITIGATION PLANS

Each of the 93 United States Attorneys' Offices developed a Financial Litigation Plan which comports with the Department's Plan, as well as a Plan developed by the Executive Office of United States Attorneys. The Executive Office for United States Attorneys' Master Plan was developed by the United States Attorney for the Northern District of Ohio, Joyce George. These individual plans were completed and certified by the Executive Office for United States Attorneys prior to the end of the fiscal year, and will be monitored throughout FY 1992. It is anticipated that through the coordinated planning efforts undertaken this year, there will be further improvements in the management of the debt collection and financial litigation process, thereby leading to increased collections.

CASE TRACKING AND MONITORING REPORTS

The tracking of cases and amounts collected is an area in which significant improvements were made during FY 1991 and will continue to be addressed. As noted, with the inception of the NCIF, tracking of collections has vastly improved over the past fiscal year.

In addition, the Financial Litigation Plans developed by the components and

United States Attorneys' Offices have emphasized the collection of statistical data which will enable periodic reporting to reflect the amounts owed, collected, delinquent, and written off. During the past year, the components and United States Attorneys' Offices provided FY 1990 data relating to cases being processed in pre-filing, filing, and judgment stages at the end of the fiscal year. This reporting format will form the basis for future semi-annual reports.

RECONCILIATION OF TREASURY DEPARTMENT "SCHEDULE 9" REPORTS

As noted above under the section "Legislative and Regulatory Activities - Federal Credit Policy Working Group", a major accomplishment in the area of reporting and accountability has been addressing the longstanding problem of reconciling the Department of Justice's records of client referrals with the data which client agencies have reported to the Department of the Treasury through their quarterly "Schedule 9" forms.

We have been working with the Office of Management and Budget and Treasury on a joint action team to address these problems, and have succeeded in gaining confidence from these sources in the previously questioned Department of Justice case referral numbers. With this effort, we hope to counter misconceptions based on the "Schedule 9s" which previously led to GAO, Congressional, and Office of Management and Budget criticism of the Department and the assumption that over \$5 billion worth of cases (not shown as actually having been received by Department of Justice) had been

lost.

Through these efforts, we also hope to enable the agencies to provide a more accurate picture of their debt portfolios.

TRAINING:

JOINT DEPARTMENT OF JUSTICE/ DEPARTMENT OF THE TREASURY TRAINING

During the course of the year, the Department has conducted an enormous amount of training in the realm of financial litigation. One of the most successful efforts has been the series of litigation workshops conducted for client agencies, in conjunction with the Department of the Treasury, aimed at improving the Federal Government's debt collection efforts. Special emphasis has been placed on the new CCLR and the referral process.

Since January, 1991, there have been 17 litigation training sessions for approximately 1,100 agency staff. This has proven to be quite a success story. The NCIF rejection rate of cases referred to Justice has been reduced from 9% to 5% since the first of the year when training on how to improve the referral process first started. This means that, after our training, referrals were less erroneous, and thus more debts were received by the Department ready for litigation. The training is devoted to "how to do it right", and the payoff has been remarkable.

Some of the meetings have been held in locations such as:

*San Francisco
Denver
District of Columbia
Seattle*

*Los Angeles
Anchorage
Philadelphia
Chicago
Kansas City
Dallas
New York*

FEDERAL DEBT COLLECTIONS PROCEDURES ACT TRAINING

Under the leadership of then Deputy Attorney General William P. Barr, assisted by the United States Attorneys and Kathleen Haggerty, Assistant Director of Financial Litigation Staff for the Executive Office for United States Attorneys's FLS, Mark Gidley of the Office of the Deputy Attorney General, Gregory M Jones of the Office of Legislative Affairs, and Leland E. Beck of the Office of Policy Development, the FDCPA was successfully passed through Congress, enabling the use of numerous improved and effective tools for debt collection to be used by United States Attorneys' Offices' Financial Litigation Units. As a result, innovative training was initiated to highlight these tools and further the application of the Act.

The Executive Office for United States Attorneys, through major efforts on the part of Ms. Haggerty, has been instrumental in coordinating a number of training sessions for Assistant United States Attorneys and Financial Litigation Unit (FLU) staff. Creative training techniques have been employed, thereby providing

interesting, creative, and challenging presentations on the material which is procedure oriented and a "tough to teach" subject. During the year, training sessions were held at the following locations:

District of Columbia
Dallas
New Orleans
San Francisco
Baltimore
Kansas City
Cleveland
Fort Lauderdale

In addition, there were three Executive Sessions specifically conducted for United States Attorneys, as follows:

Kansas City - May, 1991
Cleveland - June, 1991
The Lakes, NV. - August, 1991

JOINT UNITED STATES ATTORNEY, PROBATION OFFICER AND COURT CLERKS FINE COLLECTIONS TRAINING

Another area of concentration in financial litigation training during the year was coordinated training for United States Attorneys' staff, probation officers, and court clerks in the collection of criminal fines. This is of special interest, particularly as reinforcement of the concept that the purpose of a fine is to punish a criminal, and an unpaid fine indicates that punishment has been avoided. Furthermore, under the Victims of Crime Act, funds up to \$150 million, collected from criminal fines, special assessments, and bail bond forfeitures, go directly into the Crime Victims Fund, approximately 90% of which

is distributed to the states for victim compensation and assistance programs. It is only after this "cap" is reached that money collected goes to the Treasury and is retained by the Federal government. The rate of collections ran behind the cap throughout the year. Our intensive training efforts in this area will improve fine collections in the future.

Coordinated training is essential because the courts process fines and restitution, using probation officers in the process. By coordinating training, the most effective collection of criminal fines can be achieved.

Since the first joint training conference was piloted in May, 1989, 71 districts have held joint training conferences, and 3,152 Assistant United States Attorneys, Victim/Witness Coordinators, United States Probation Officers, and Clerks of Court have been trained. In FY 1991, 65 districts held joint training sessions, and nearly 3,000 criminal prosecutors, civil collection attorneys, United States probation officers and others were trained on how to ensure that fines and restitution, imposed in federal criminal cases, were paid. Seventeen more conferences have been held or are scheduled since the end of FY 1991.

Meetings have been held with representatives from the Federal Judicial Center to coordinate inclusion of Department of Justice financial litigation staff as lecturers in future training sessions for court personnel, which includes court clerks, probation officers and Judicial officers.

Because of the success of this training, each United States Attorney Office

Financial Litigation Plan now calls for annual joint training sessions between financial litigation Assistant Attorneys, criminal Assistant Attorneys, probation and court personnel. This type of coordinated effort at the field level is anticipated to assist in meeting the "cap". Cooperation, coordination, and communication are the keys to a successful team effort to ensure that judicial orders are obeyed.

SAUSA TRAINING

Special Assistant United States Attorneys (SAUSAs), agency attorneys appointed for affirmative claim litigation and debt collection activities, are full partners in our litigating team under the direction of the United States Attorneys for the districts in which they were appointed. Training of SAUSAs is thus an area of primary focus in our financial litigation efforts. For example, we provided special training for 120 Small Business Administration (SBA) attorneys and have three training programs planned for FY 1992. The Department's Financial Litigation Plan calls for development of a SAUSA financial litigation training manual by the Executive Office for United States Attorneys by January 1, 1992.

The Associate Deputy Attorney General for Financial Litigation will monitor the use of SAUSAs to ensure that they are used effectively and to the maximum extent possible. He will receive semi-annual reports on the use of SAUSAs for financial litigation.

BUREAU OF PRISONS TRAINING

During the year, training sessions on how to improve collections through the Bureau of Prison's "Inmate Financial Responsibility Program" have been successful. In FY 1991, the Inmate Financial Responsibility Program exceeded \$50 million collected since 1987. In FY 1991, participation rates for inmates in the program reached an all time high, with 18,839, or 86% of inmates having court ordered financial obligations, making payments.

This program was implemented in 1987 as a means of encouraging payment of criminal debts (including court-imposed financial obligations, special penalty assessments, criminal fines, restitution, court costs, other debts owed the United States, and other court-ordered obligations) through the development of individual financial plans in coordination with assigned case workers. This program has encouraged payment of approximately \$12 million per year, with 37,000 inmates having paid their debts in full.

During FY 1991, Bureau of Prisons conducted the first national program symposium, a three day training session for key institutional staff from 45 Bureau of Prisons facilities and for representatives from the Executive Office for United States Attorneys, Financial Litigation Staff, and the Office for Victims of Crime. Another similar training symposium is scheduled for FY 1992.

**NATIONAL MEETINGS AND TRAINING
SESSIONS - UNITED STATES
ATTORNEYS/CLIENT AGENCIES**

As stressed in the Department's Financial Litigation Plan, improved client relations is one of the foremost objectives to be met. Improved relations will lead to a higher quality of referrals, voluntary compliance, and reconciliation of data, thereby enhancing the entire Federal government's debt collection efforts. Component plans and United States Attorneys' Office plans therefore have included meetings with client agencies on a regular basis.

Another success in this area has been the extensive number of such meetings during the course of the year between financial litigation personnel within the Department of Justice and other agencies. We attended the following national meetings to address key topics and answer questions regarding the financial litigation efforts of the Department of Justice:

*Farmers Home Administration (State
Farm Directors)*

*Chief and Deputy Chief United States
Probation Officers*

*Veterans Administration District
Counsel*

*Government Financial Management
Conference*

*National Organized Crime and Drug
Enforcement Task Force
Meeting*

Additionally, visits to client national offices, have included the following:

Department of the Treasury

Department of Defense

Department of Agriculture

*Department of Health and Human
Services*

Housing and Urban Development

Department of Education

Department of Veterans Affairs

Small Business Administration

*Commodity Future Trading
Commission*

We have also addressed a number of other organizations during the course of the year, highlighting the financial litigation efforts of the Department of Justice and areas in which the debt collection process can be improved. These include the following:

*National Conference for United
States Attorneys Offices Criminal
Chiefs, Baltimore MD.*

*National Conference for United
States Attorneys Offices Civil
Chiefs, Baltimore, MD.*

*Executive Office for United States
Attorneys Evaluator Training
Program, San Diego, CA.*

*Northwest Counsel of the Department
of Agriculture, Napa Valley, CA*

*Executive Training Programs for
United States Attorneys on Financial
Litigation (3 sessions)*

United States Attorneys' Conference

*Financial Litigation Subcommittee
meetings (of the Attorney General's
Advisory Committee)*

[Appendix I provides detailed information on various training sessions conducted throughout the course of the year. It is provided to acknowledge individual instructors and to indicate the scope of the training initiative undertaken during FY 1991.]

AWARDS

Recognizing individual achievements can ensure that the professionals at the Department are recognized to maintain the highest performance.

A number of the special achievements in the area of financial litigation and debt collection during the year have been acknowledged through special awards. The Treasury Department bestowed upon four of the staff of the United States Attorney for the Southern District of West Virginia a \$4,000 Award for Distinction in Financial Management. Recipients were Gary L. Call, Vickie D. Clay, Anna Evans, and Bobbie Terry. The collection efforts of this team resulted in FY 1990 collections of over \$4.5 million from criminal fines, bankruptcy cases, and other sources.

The Treasury Department provided an award to Philip S. Kushner, an attorney in the United States Attorneys' Office in the District of Columbia, for developing a new way to obtain Medicare/Medicaid payments from "deadbeat" doctors. He developed the idea while he was an Assistant United States Attorney in the Northern District of Ohio. The Treasury award is the highest award in government for financial management.

The Treasury Department has created a new special award, "United States Attorney of the Year" for United States Attorneys in Financial Litigation with a potential payment of \$10,000. This award for distinction in Financial Litigation by a United States Attorney will be based on outstanding performance in financial litigation and the collection of delinquent

civil debt, or improvements in civil litigation and collections (other than asset forfeiture), or improvements in providing operational savings to Federal program agencies or the Department of Justice. The first award will be available in FY 1992.

During the year, additional awards have been received as follows:

Director's Award for Outstanding Achievement in Financial Litigation - Kathleen Haggerty and Nancy Rider (Executive Office for United States Attorneys)

Attorney General Special Achievement Award - Kathleen Haggerty (Executive Office for United States Attorneys)

Small Business Administration's General Counsel's Award for Interagency Cooperation in Debt Collection Management - Kathleen Haggerty (Executive Office for United States Attorneys)

ENHANCING CLIENT AGENCY RELATIONS

CLIENT MEETINGS

As noted previously, during the course of the year, there have been numerous meetings with client agencies to discuss key issues and problems in the area of financial litigation. These have included addressing communication and processing problems noted by the Department of Transportation (DOT) and Commodity Future Trading Commission; handling of foreclosure cases with the Farmers Home Administration and Housing and Urban Development (HUD); meeting along with the Attorney Generals' Advisory Committee's Litigation Subcommittee representatives with the Department of Defense, HUD, DOT, and the Department of Agriculture; and making changes to the process of referring cases with the Internal Revenue Service (IRS).

The Department's Financial Litigation Plan emphasizes improved client relations as a primary objective. Plans of the program components, litigating divisions, and United States Attorneys' Offices include the requirement to meet with client agencies.

VICTIM ASSISTANCE COMPENSATION PROGRAM

One achievement of great significance during the year is the increased coordination with the Office for Victims of Crimes (OVC). A goal is to increase publicity about the expenditure of OVC

funds in the United States Attorneys Offices' districts. This is being emphasized as a means of enhancing collection efforts through increased awareness of the use of these funds. As part of the effort to enhance communications with the Office for Victims of Crimes, OVC will be notified of fines in excess of \$100,000 which are imposed and collected by United States Attorneys' Offices.

Additionally, as noted in the training section of this report, a concentrated effort has been made to coordinate joint training of the financial litigation and criminal staff in United States Attorneys Offices with court personnel, including the probation officers and court clerks. This will enable more effective collection of criminal fines and funds going to the Victim Assistance Compensation Program.

During the year, United States Attorneys and their staff have been encouraged to meet with groups in their districts which receive Crime Victim Funds. This is being done as a means of enhancing collection incentives and to enable staff to see how the money is spent by these groups. The Office of the Associate Deputy Attorney General has assumed a lead role in this endeavor and staff have visited the Rape Crisis Center in Salt Lake City, the Runaway Children's Center in San Francisco, the Children's Cabinet in Reno, Nevada, and the Alaska Womens' Resource Center in Anchorage, Alaska during the course of the year, among others.

MANAGEMENT INITIATIVES

AFFIRMATIVE LITIGATION

Aggressive litigation of government claims in bankruptcy and civil fraud can often lead to sizable recoveries to the Federal government. As a result, there has been increased emphasis and additional resources have been devoted to affirmative litigation in these areas. Close coordination between the financial litigation Assistant United States Attorneys, criminal Assistant United States Attorneys, the Civil Division, and client agencies is needed to develop civil fraud cases. The False Claims Act now permits the recovery of treble damages plus \$5,000 to \$10,000 per claim. The Executive Office for United States Attorneys has required that specific goals in this area be included in the Financial Litigation Plan for each United States Attorney Office.

VOLUNTARY COMPLIANCE

Voluntary compliance can often prove to be the least expensive yet most effective means of collecting debt. This approach has been advocated through education and publicity through the Department's Financial Litigation Plan, which calls for each program component, litigating division, and United States Attorneys' Office plan to indicate the specific efforts and resources being devoted to education and publicity in their overall debt collection effort. As seen in the publicity section of this report, the effectiveness of publicizing significant successful debt collection achievements can provide a dramatic vehicle for bringing the debt collection effort to the attention of the

public. This, in turn, can result in voluntary compliance on the part of other debtors fearing publicity or recognizing the seriousness with which debt collection is being pursued.

IMPROVED CRIMINAL DEBT COLLECTION PROCEDURES

National Fine Center:

During the year, the Administrative Office of United States Courts established the National Fine Center in Raleigh, North Carolina. It will be implemented in the following five districts, with other applications anticipated in the future:

*Eastern District of North Carolina
Western District of Missouri
Eastern District of Pennsylvania
Western District of Texas
Southern District of Texas*

This center will allow the courts to process all fines and restitution payments at one central location, and enable better coordination with the United States Attorneys' Offices in pursuing those debtors in default. The Center will have the capability of issuing statements on the status of collection of fines. The Federal prison in Butner, North Carolina will be used as a testing point for the Fine Center.

Bureau of Prisons' Inmate Financial Responsibility Program:

A major training effort has been

undertaken by the Bureau of Prisons. The "Inmate Financial Responsibility Program" has been successful during the year. The program has encouraged payment of approximately \$12 million per year, with full payment of debts by 37,000 prisoners.

There has been an increased emphasis on training and awareness of the program. Nancy Rider, Assistant Director, Financial Litigation Staff, of the Executive Office for United States Attorneys has prepared a pamphlet entitled "What You Need To Know About Your Criminal Debts", which serves to educate inmates, Bureau of Prison and United States Probation Officers, and District Court staff on the law and procedures relating to fine collection. This pamphlet will serve to further enhance our management initiative to better coordinate and improve communications between the different sectors involved in criminal fine collections.

Paul Horner of the Bureau of Prisons works closely with components and United States Attorneys Offices. Horner speaks at numerous USAO programs and seminars. There has been a marked increase in inmate payments as a result of his involvement in this program.

PRIVATE COUNSEL PILOT PROGRAM

Under the Federal Debt Recovery Act, the Attorney General was authorized to contract with private law firms in up to ten federal judicial districts as a pilot program to determine whether enhancing the Department of Justice's debt collection resources with private counsel will increase collections. The pilot was operated in eight

districts during FY 1991, and is authorized to continue through September 30, 1992 and. The pilot program underwent an audit by the Inspector General during the course of the year. The final IG report has not been issued. An evaluation of the efficiency of the program has begun, with results due later in FY 1992.

PUBLICITY

These are some of the headlines from the publicity of financial litigation success stories. They reflect the high level of commitment, and attest to the effectiveness of making the public aware of the significant Department's debt collection efforts.

1990 PRESS STORIES:

"U.S. ATTORNEY'S OFFICES COLLECTED MORE IN DEBTS TO GOVERNMENT THAN THEY SPENT" ... The Courier Journal (Kentucky)

"U.S. ATTORNEY IN L.A. COLLECTS \$89 MILLION" ... Los Angeles Daily Journal

"U.S. ATTORNEY'S OFFICE TAKES IN ALMOST TWICE ITS BUDGET" ... Iowa Gazette

"U.S. SEIZES \$39 MILLION" ... Fairfax Journal

"RECORD AMOUNT COLLECTED, \$5.23 MILLION IS BROUGHT IN BY FEDS" ... Post Tribune (Gary, Indiana)

"U.S. ATTORNEY IN KC TURNS 'PROFIT'" ... Kansas City Star

"FEDERAL ATTORNEY HAULS IN BIG FINES, SEIZURES" ... The Grand Rapids Press

"U.S. ATTORNEY'S COLLECTIONS ON THE RISE" ... N. Mississippi Daily Journal

"U.S. ATTORNEY EARNINGS TOP ITS EXPENSES" ... The Journal Record (Oklahoma City, Oklahoma)

"U.S. ATTY.: OFFICE PAYS OWN WAY" ... Philadelphia Daily News

"U.S. ATTORNEY SEIZES RECORD \$5.4 MILLION" ...

Belleville Democratic News

"ALL GOV'T. SHOULD RUN LIKE THIS" ...

Crain's Chicago Business

"\$4.5 MILLION COLLECTED INCLUDES FINES, FORFEITURES" ...

The Charleston Gazette

"SESSIONS: OFFICE COLLECTED \$8.5 MILLION" ...

Mobile Press Register (Alabama)

"U.S. ATTORNEY'S OFFICE COLLECTS RECORD AMOUNT" ...

The Hammond, Indiana Times

"A DENT AGAINST DEBTORS - \$7 MILLION SNARED FROM DEADBEATS" ...

The Cincinnati Enquirer

"U.S. ATTORNEY GENERAL GETS AT&T SETTLEMENT" ...

Greensboro News & Record (North Carolina)

"FEDS COLLECT \$8.5 MILLION IN FORFEITURES" ...

Mobile Press

"U.S. ATTORNEY'S OFFICE HAULED IN \$5 MILLION" ...

Honolulu Star Bulletin

"SEIZURE OF CRIMINALS' ASSETS WORTH MILLIONS, VOLZ SAYS" ...

The New Orleans Times Picayune

"FEDERAL PROSECUTORS TAKE IN \$7 MILLION" ...

The Indianapolis Star

"OFFICE ALMOST MAKES PROFIT" ...

Pittsburgh Press

**"UNITED STATES ATTORNEY NORTHERN DISTRICT NEWS ... GENERATED
MORE THAN \$11.2 MILLION" ...**

Daily Legal News (Ohio)

**"U.S. ATTORNEY'S OFFICE REPORTS ITS SEIZURES,
COLLECTIONS FOR YEAR" ... The Sioux City Journal (Iowa)**

"U.S. PROSECUTOR DOUBLES COLLECTION OF FORFEITURES, FINES" ...
The Richmond News Leader

"WESTERN DISTRICT COURT COLLECTIONS TOTAL \$6 MILLION" ...
The Daily Oklahoman

"U.S. NETS \$7 MILLION IN FINES, PROPERTY" ...
The Oregonian

"CIVIL JUDGMENTS TOP \$1.5 MILLION"
The Burlington Free Press (Vermont)

"U.S. ATTORNEY ISSUES '89-'90 FINANCIAL REPORT" ...
Citizens' Voice (Pennsylvania)

"U.S. ATTORNEY'S OFFICE COLLECTS MORE THAN \$38 MILLION"
Potomac News (Alexandria, Virginia)

"LOCAL U.S. ATTORNEY'S OFFICE PULLS IN \$21 MILLION IN DEBTS" ...
San Francisco Daily Journal

"FEDERAL PROSECUTORS EARN THEIR KEEP"
Savannah Morning News (Georgia)

"U.S. ATTORNEY COLLECTS FINES, DELINQUENT LOANS" ...
Casper Star Tribune (Wyoming)

"FEDS RECOVER \$21 MILLION IN DEBTS" ...
The Recorder (California)

"\$30 MILLION COLLECTED" ...
San Diego Tribune

"\$2.4 MILLION COLLECTED BY U.S. ATTORNEY" ...
Scranton Times (Pennsylvania)

"U.S. ATTORNEY RECORDS \$4 MILLION IN COLLECTIONS" ...
Tulsa World (Oklahoma)

"\$4.6 MILLION OBTAINED FROM CRIMINALS IN IOWA DISTRICT" ...
Des Moines Register (Iowa)

During FY 1991, the volume of press releases from United States Attorneys' Offices continued. The following headlines represent a sampling of the releases which were published in a variety of news media.

1991 PRESS STORIES:

"ALASKA DEBTORS CALLED ON THE CARPET, STATE RESIDENTS OWE \$7 MILLION TO U.S. GOVERNMENT" ... The Anchorage Times

**"AUSAs COLLECT \$8 MILLION FROM NORTHROP" ...
AUSA Today (Los Angeles, California)**

**"DOC'S BITTER PILL: A \$21,000 LOAN COSTS \$170,000" ...
The Des Moines Register (Iowa)**

"DEBTORS IN BIG TROUBLE NOW, NEW FED LAW SHARPENS GOVERNMENT'S TEETH" ... Lincoln Journal Star (Nebraska)

"BAYLSON FILES SUITS UNDER DEBT ACT, NEW LAW NOW IN PLACE" ... The Legal Intelligencer

**"LAW DRAWS PROFIT, \$34 MILLION IS TRIPLE WINDFALL" ...
North Jersey Herald (New Jersey)**

"JUSTICE DEPARTMENT HITS PAYDIRT IN CAMPAIGN TO COLLECT FINES, DEBTS" ... The Star Ledger (New Jersey)

**"LAWS HELP U.S. COLLECT \$34 M IN N.J." ...
The Bergen Record (New Jersey)**

**"FINES PAY FOR U.S. ATTORNEY'S OFFICE" ...
Trenton Times (New Jersey)**

**"UPJOHN TO PAY A \$600,000 FINE TO SETTLE CASE" ...
The Wall Street Journal**

**"UPJOHN WILL PAY RECORD FINE" ...
The Orlando Sentinel (Florida)**

"UPJOHN'S RECORDING OF SAMPLES BRINGS FINE" ...

The Oregonian

"JUDGE APPROVES SERVICE PLAN FOR INDEBTED M.D." ...

The Providence Journal-Bulletin (Rhode Island)

"WORTHAM ANNOUNCES NEW U.S. COLLECTIONS LAW" ...

Port Arthur News (Texas)

"DEFICIT? NOT IN THIS U.S. OFFICE" ...

Roanoke Times (Western District, Virginia)

The above headline clippings indicate the recent level of public interest in our collection efforts. This type of publicity is required by the Financial Litigation Plans. Publicity will play an important part of the voluntary compliance efforts being stressed in our financial litigation program.

COLLECTIONS DATA

In compliance with the Department-wide Financial Litigation Plan, during FY 1991, we have undertaken the process of developing a debt collection statistical format to reflect total collections, including offsets and property recovery, and information to track the Department's complete debt portfolio. In accordance with the timelines established in the Plan, the Executive Office for United States Attorneys, program components, and litigating divisions will have compiled FY 1990 and FY 1991 data for the development of a preliminary report by November, 1991. The data presented in this section of the report reflects that effort. Consistent with the Plan, a final reporting of FY 1991 data is to be available after January, 1992.

The charts presented in this report provide information based on this data, as follows:

TABLE 1

Department of Justice FY 1991 Total Collections (reflecting lock box cash collections, offsets, and estimated value of property recovered).

TABLE 2

Department of Justice FY 1990 Total Collections (reflecting lock box cash collections, offsets, and estimated value of property recovered).

[The lock box figures in these first two charts represent the bank's reported lock box receipts accounted for in the Debt Collection Management Cash Collection reports. Other information is based on data presented by the components in accordance with their reporting established in the Department's Financial Litigation Plan. It should also be noted that the COLLECTOR data system which tracks information from the 7 pilot private counsel project districts has not tracked data in the same format as assimilated from the other United States Attorney Offices' districts. Adjustments to the system are anticipated during FY 1992, as practicable, within available budgetary resources. For this report, we have used the Debt Collection Management cash collection data available for these districts.]

TABLE 3

The total FY 1990 debts litigated in the Department of Justice.

This data is based on data provided by the components and United States Attorneys' Offices' in compliance with the Department-wide Financial Litigation Plan. It provides the dollar value and number of cases for the total amount which was due to the Federal government, the total amount overdue, and the total amount uncollected at the end of FY 1990.

TABLE 4

The total amount of cash collections for FY 1986 through FY 1991.

This information reflects data reported by the Debt Collection Management Cash Collection reports, which are based on the bank's reported lock box receipts.

TABLE 5

The total amount of cash collections, showing the split between civil cases and criminal cases.

This information reflects data reported by the Debt Collection Management Cash Collection reports, which are based on the bank's reported lock box receipts. The Criminal numbers have declined since the Clerk of Court now deposits much of the fine money.

TABLE 6

The FY 1991 cash collections achieved by the Department of Justice Components.

The chart reflects data reported by the Debt Collection Management Cash Collection reports, which are based on the bank's reported lock box receipts.

TABLE 1

FY 1991 DEPARTMENT OF JUSTICE TOTAL COLLECTIONS

(\$000s)

| DEPARTMENT DIVISIONS | LOCKBOX RECEIPTS | DIRECT AGENCY DEPOSITS COURT RECEIPTS | OFFSETS | PROPERTY | TOTAL COLLECTIONS |
|---------------------------|---------------------|---|-----------------|-----------------|----------------------|
| CIVIL DIVISION | \$217,521 | \$7,508 | \$5,687 | \$146 | \$230,862 |
| U.S. ATTORNEYS | \$307,812 | \$135,630 | \$10,842 | \$63,417 | \$517,701 |
| ANTITRUST | \$19,342 | | | | \$19,342 |
| ENVIRONMENT / LANDS | \$5,815 | \$98,346 | | | \$104,161 |
| TAX DIVISION | \$123,781 | \$15,382 | | | \$139,163 |
| PILOT DISTRICTS | \$41,895 | | | | \$41,895 |
| IMMIGRATION SERVICE | | \$54,962 | | | \$54,962 |
| U.S. TRUSTEES | \$40,385 | | | | \$40,385 |
| CRIMINAL DIVISION | \$2,620 | | | | \$2,620 |
| BUREAU OF PRISONS | \$2,121 | | | | \$2,121 |
| IRS OFFSETS | \$4,921 | | | | \$4,921 |
| TOTAL COLLECTIONS: | \$766,213 | \$311,828 | \$16,529 | \$63,563 | \$1,158,133 |

TABLE 2

FY 1990 DEPARTMENT OF JUSTICE TOTAL COLLECTIONS

(\$000s)

| DEPARTMENT DIVISIONS | LOCKBOX RECEIPTS | DIRECT AGENCY DEPOSITS COURT RECEIPTS | OFFSETS | PROPERTY | TOTAL COLLECTIONS |
|---------------------------|---------------------|---|-----------------|------------------|----------------------|
| CIVIL DIVISION | \$188,455 | \$88,591 | \$21,386 | \$47,915 | \$346,347 |
| U.S. ATTORNEYS | \$233,402 | \$209,133 | \$12,389 | \$79,701 | \$534,625 |
| ANTITRUST | \$6,343 | | | | \$6,343 |
| CIVIL RIGHTS | \$28 | | | | \$28 |
| ENVIRONMENT / LANDS | \$3,884 | \$61,299 | | | \$65,183 |
| TAX DIVISION | \$47,496 | \$36,060 | | | \$83,556 |
| PILOT DISTRICTS | \$20,229 | | | | \$20,229 |
| IMMIGRATION SERVICE | | \$17,128 | | | \$17,128 |
| BUREAU OF PRISONS | \$1,639 | | | | \$1,639 |
| U.S. TRUSTEES | \$1,810 | | | | \$1,810 |
| IRS OFFSET | \$7,609 | | | | |
| TOTAL COLLECTIONS: | \$510,895 | \$412,211 | \$33,775 | \$127,616 | \$1,076,888 |

TABLE 3

FY 1990 DEPARTMENT OF JUSTICE DEBT PORTFOLIO:

| | Judgments and Settlements in Collection: | | Debts in Default on September 30, 1990: | | Debts Closed Without Collection in FY 1990: | |
|-----------------------|---|-----------------|--|---------------|--|---------------|
| | Number | Amount | Number | Amount | Number | Amount |
| U.S. Attorneys | | | | | | |
| Seven Pilot Districts | 11,312 | \$193,741,441 | Not Available | | 1,785 | \$30,917,749 |
| Other Districts | 30,437 | \$834,515,202 | 11,819 | \$423,062,374 | 5,748 | \$207,218,407 |
| Total U.S. Attorneys | 41,749 | \$1,028,256,643 | 11,819 | \$423,062,374 | 7,533 | \$238,136,156 |
| Antitrust Division | 13 | \$3,446,500 | None | | None | |
| Civil Division | 168 | \$152,545,146 | 56 | \$42,614,690 | 5 | \$65,830,672 |
| Civil Rights Division | 1 | \$6,000 | None | | None | |
| Environment Division | 194 | \$29,931,935 | 2 | \$81,403 | None | |
| Immigration Service | 23,147 | \$63,164,153 | 20,527 | \$27,688,646 | 2,044 | \$900,886 |
| Tax Division | 724 | \$247,230,000 | 139 | \$36,593,000 | 341 | \$46,679,000 |
| Total of Divisions | 24,247 | \$496,323,734 | 20,724 | \$106,977,739 | 2,390 | \$113,410,558 |
| GRAND TOTAL | 65,996 | \$1,524,580,377 | 32,543 | \$530,040,113 | 9,923 | \$351,546,714 |

- 1: Total Amount Due: 65,996 cases valued at \$1,524,580,377
 2: Total Amount Overdue: 32,543 cases valued at \$530,040,113
 3: Total Amount Uncollected: 9,923 cases valued at \$351,546,714

TABLE 4

**JUSTICE TOTAL CASH COLLECTIONS
FISCAL YEARS 1986 – 1991:**

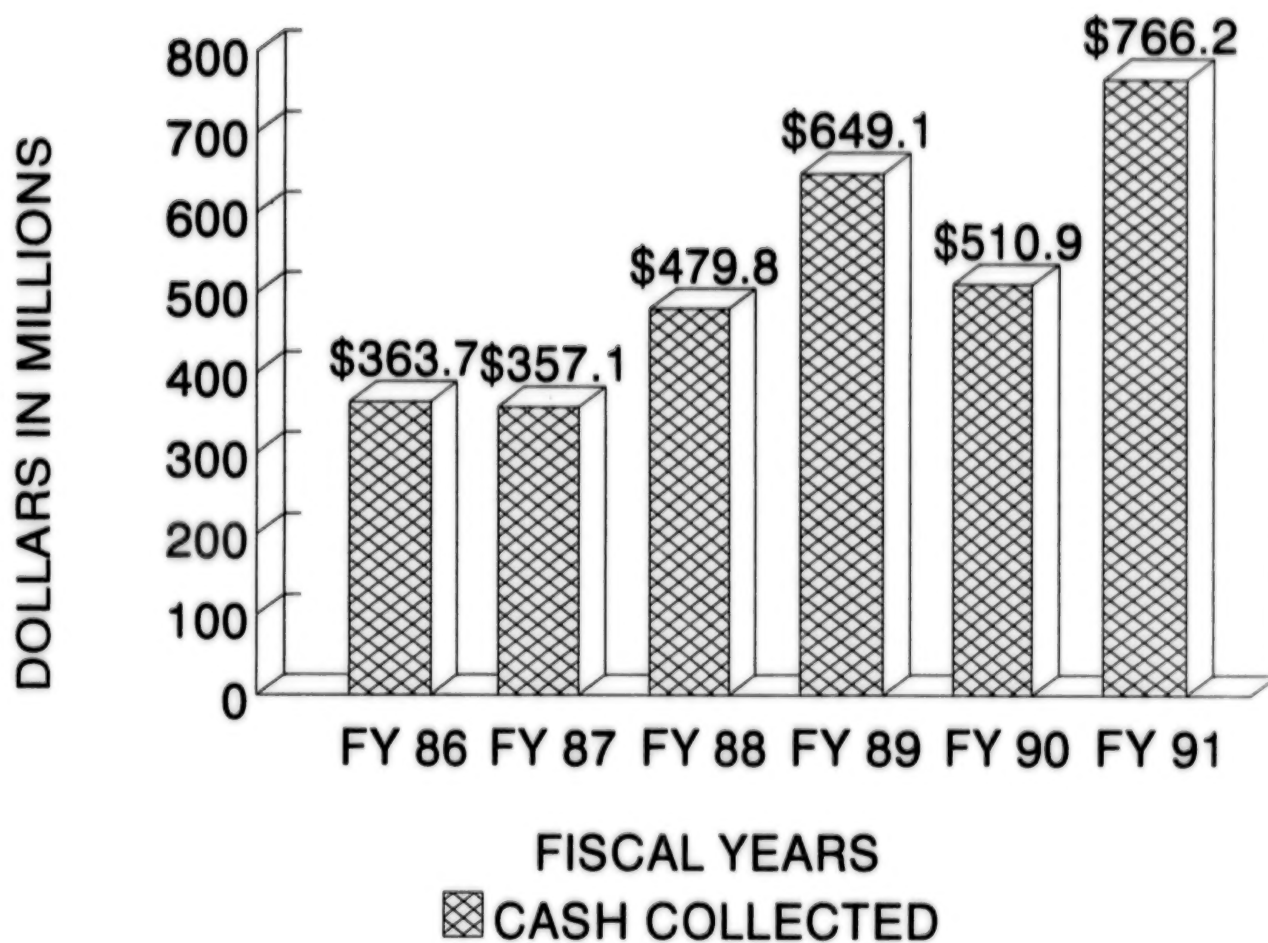


TABLE 5

**COLLECTIONS IN CASH
(FY 1986 – FY 1990)**

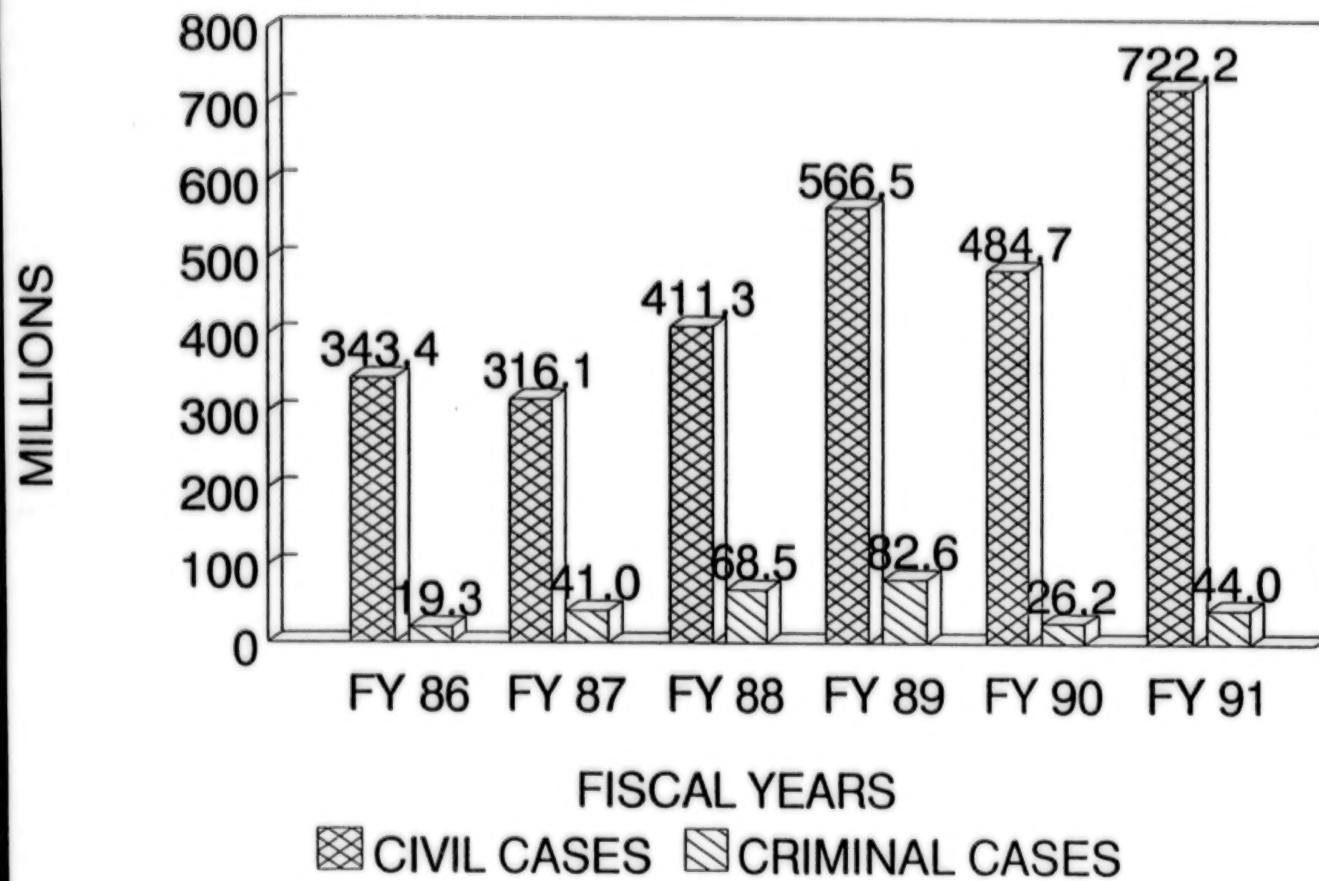
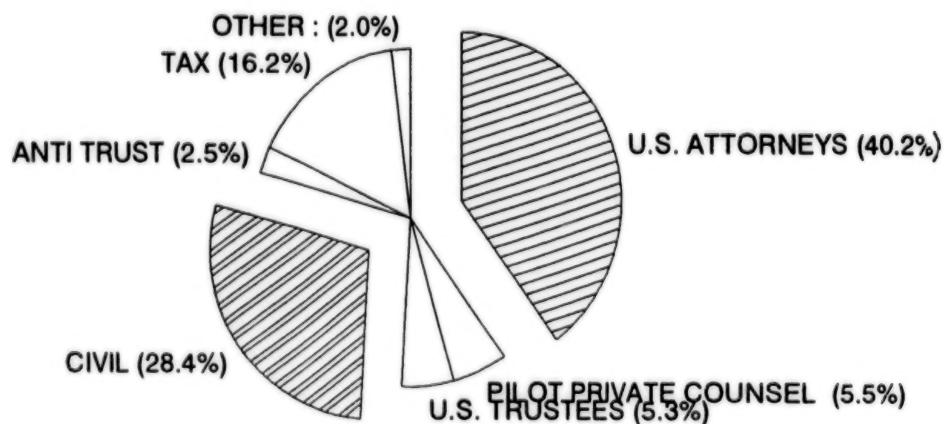


TABLE 6

| COMPONENTS - | (CASH COLLECTED) |
|---------------------------------|----------------------|
| U.S. ATTORNEYS | \$307,812,644 |
| PILOT PRIVATE COUNSEL | \$41,895,159 |
| U.S. TRUSTEES | \$40,384,526 |
| CIVIL | \$217,520,942 |
| ANTI TRUST | \$19,342,251 |
| TAX | \$123,781,070 |
| OTHER : | \$15,477,954 |
| CRIMINAL (\$2,620,000) | |
| BUREAU OF PRISONS (\$2,121,505) | |
| IRS OFFSET (4,921,195) | |
| LANDS (\$5,815,254) | |
| TOTAL: | \$766,214,546 |

COLLECTIONS BY COMPONENTS
FY 1991



COMPONENT ACHIEVEMENTS

The various Department of Justice components involved in financial litigation have been invited to submit their achievements and noteworthy efforts for this report. The information provided as follows reflects these individual submissions.

CIVIL DIVISION

JUDGMENTS AND SETTLEMENTS

During FY 1991, the Civil Division obtained judgments and settlements totaling an unusually high \$4.164 billion. Of this total amount, \$3,710,696,794 is attributable to two debt restructure agreements which the Civil Division negotiated, on behalf of the Rural Electrification Administration ("REA"), with two defaulting utility companies. Also included in the total awards for FY 1991 is \$171,700,000 resulting from the settlement of the government's civil fraud claims against Unisys Corporation.

COLLECTIONS

During FY 1991, Civil Division collections totaled \$230.9 million. Of this amount, the Division itself collected cash totaling \$217.5 million. An additional \$13.3 million was credited to the Division's debtor accounts for payments made by debtors directly to client agencies, debts recovered by offset, and property recovered.

Collections are relatively modest

compared to awards because the largest FY 1991 awards will be paid over time. For example, under the terms the two REA debt restructure agreements, over \$3.7 billion is to be paid directly to the REA over the next 25 years. The prospects for payment are good. Over the past four years, the REA has collected approximately \$1 billion from eight debt restructures, including the two negotiated during FY 1991. The \$171,700,000 settlement is to be paid over the next five years by Unisys.

SIGNIFICANT ACHIEVEMENTS

- o Civil Division attorneys drafted the Department of Justice Financial Litigation Plan, which was approved by the Deputy Attorney General in July 1991 and is the first plan of its kind setting forth the goals, objectives, and initiatives of the Department with respect to affirmative claim litigation and debt collection on behalf of the Federal Government.
- o The Civil Division developed its own Financial Litigation Plan, consistent with the new Department Plan.
- o During FY 1991, the Division offered its attorneys the most comprehensive in-house training program ever, including seminars on the new Federal Debt Collection Procedures Act which were conducted in cooperation with the Executive Office for United States

Attorneys.

- o Division attorneys successfully negotiated, on behalf of the REA, agreements restructuring over \$3.7 billion in defaulted loans to two rural electrical cooperatives, thereby avoiding bankruptcies and maximizing REA's return.
- o Division attorneys negotiated a \$42,500,000 settlement of Farmers Home Administration claims against Wheeling-Pittsburgh Steel Corporation in a Chapter 11 bankruptcy case. The entire amount was paid during FY 1991. In the same case, the Division also concluded a \$32,040,000 settlement of Economic Development Administration claims against Wheeling-Pitt. That amount is to be paid during FY 1992.
- o During FY 1991, the Division obtained over \$320 million in awards resulting from judgments and settlements in civil fraud cases, including the following:
 - A record \$185 million settlement of civil fraud claims against the Unisys Corporation resulting from the Operation Ill Wind investigation. The Division's share of the settlement is \$171.7 million, which is to be paid over the next five years.
 - A \$34,000,000 cash recovery in FY 1991 resulting from a settlement of bid-rigging and defective pricing claims against NEC Information Technologies, a wholly owned

subsidiary of the Japanese electronics giant, NEC Corporation.

- Substantial settlements in a number of other Department of Defense fraud cases: \$7.5 million from McDonnell Douglas in a defective pricing case; \$6.3 from General Electric resulting from its voluntary disclosure of mischarging; and \$6.3 from NV Philips and \$4.5 million from Fabrique Nationale in bid manipulation cases. All of these amounts were collected during FY 1991.
- Settlements and judgments obtained by the Civil Division in Medicare fraud cases were also significant during FY 1991, totaling over \$14 million.
- A number of substantial settlements involving frauds upon the General Services Administration. These settlements totaled over \$13 million.

CRIMINAL DIVISION

- o During FY 1991, the Criminal Division referred 65 exclusive responsibility cases with monetary impositions to the United States Attorneys' Offices Financial Litigation Units.
- o 11 of these exclusive cases had monetary impositions exceeding \$1 million.
- o Multimillion amounts were imposed in 2 of these cases: the Cheng, Paul

Sau-ku case with over \$15 million in restitution and the E-Systems, Inc. case with \$3.8 million in fines and restitution.

- o The Criminal Division's Debt Collection Plan was established, in accordance with the Department-wide Financial Litigation Plan. Specific procedures for implementation of the Plan are effective as of December 1, 1991.
- o New procedures also include instructions for referring exclusive responsibility cases for collection to the United States Attorneys' Offices and how to handle payments made directly by defendants.

TAX DIVISION

In compliance with the Department's Affirmative Litigation Plan, the Tax Division developed its own affirmative litigation plan, submitted to the Department in September, 1991. Specific accomplishments in FY 1991 include:

Revision of Tax Division Memorandum 84-25 on debt collection procedures, which was republished as Directive No. 93, Judgment and Collection Activities.

After a thorough review of the collection procedures, the new directive modified standard operating procedures to clarify areas of responsibility, simplify steps to be taken in the collection phase, and standardize memoranda to be used in the referral process. The changes were adopted to promote efficient

execution of internal procedures and to improve communication and coordination with the Internal Revenue Service and United States Attorneys.

Revision of the Tax Division's Manual of Collection for Tax Judgments.

The manual is distributed to each attorney and paralegal in the Tax Division and is a "how to" handbook that describes collection practices and procedures. The manual also contains a compendium of the forms appropriate for collection activities and of the resources that might be brought to bear to resolve particular collection problems.

Increases in the number and amounts of affirmative judgments and settlements, and in the amount of cash collected by the Tax Division.

During FY 1991, the Division obtained 821 affirmative judgments and settlements worth in excess of \$567 million. Also, over \$120 million in cash was collected by the Tax Division (as compared to \$47 million in FY 1990).

CIVIL RIGHTS DIVISION

- o The Civil Rights Division collected \$6,000 which remained outstanding from FY 1990.
- o Total judgments in 3 cases for FY 1991 were \$62,600.
- o In 2 cases, awards of \$52,600 are

currently on appeal.

- o The remaining judgment for \$10,000 is due to be paid in FY 1992.

ENVIRONMENTAL AND NATURAL RESOURCES DIVISION

CASES AND MATTERS

- o On September 30, 1991, the Division had 17,084 pending cases and matters, including 835 cases on appeal. 16,943 of these had been pending from FY 1990, with 4,032 new cases received during the year, and 3,891 closed. These cases included the following: Civil Affirmative, Civil Defensive, Condemnation/Title, Criminal, Citizen Suits (i.e. suits filed against polluters by environmental groups and others), and Matters (including legislative, Congressional and policy matters, as well as FOIA requests).
- o During FY 1991, 1,420 civil and criminal cases were filed (both defensive and affirmative), including 341 Environmental Enforcement cases and 309 condemnation proceedings.

JUDGMENTS AND SETTLEMENTS

- o During FY 1991, awards in civil affirmative litigation produced over \$253.6 million in debts owed the United States. This included \$192.4 million in Superfund cost recovery; \$33.8 million in civil penalties (the largest figure ever reported) of

which \$4.4 million was awarded in citizen suit actions; and \$23.3 million in writeoffs for surface mining claims.

These awards represent a 231% increase over debts rendered in FY 1990 (of \$109.8 million). In addition, \$10.8 million was awarded to states for natural resources damages and other purposes. The FY 1991 litigation also produced, logged, and entered consent decrees in Superfund cases which compelled defendants to undertake various cleanup activities valued at over \$800 million.

- o In criminal cases handled in the Environmental Crimes and Wildlife and Marine Resources Sections, a total of \$19.1 million in fines, restitution, and special assessments was rendered in FY 1991. In addition, there were 167 indictments/informations filed, 203 pleas/convictions, and 57 years' incarceration time imposed (including supervised release time).
- o The Environmental Crimes Section reports that there is an upward trend in the number of criminals who actually spend time incarcerated, once they have been sentenced. For example, in FY 1991, 100% of those sentenced to prison will have to spend time incarcerated. In FY 1990, only 84% of those sentenced were incarcerated; the year before, it was 81%; and the year before that, only 61%.

COLLECTIONS

- o Debts collected by in-house staff and client agencies for FY 1991 totalled over \$103.3 million, compared with FY 1990 collections of \$65.2 million. This represents an increase in staff and agency collections of \$38.1 million.
- o Debts collected by in-house staff for FY 1991 amounted to \$5.7 million (civil only), compared with FY 1990 collections of \$3.9 million (\$3.4 million in civil cases and \$.5 million in criminal cases). This represents an increase of \$1.8 million. Of that amount, \$4.4 million was collected in the citizen suit Public Interest Research Group of New Jersey v. Powell Duffryn Terminals, Inc. This collection is the largest civil penalty assessment in a Clean Water Act case filed by a citizen group.
- o Agency collections of Environmental Division debts for FY 1991 amounted to \$97.6 million, compared with FY 1990 agency collections of \$61.3 million -- an increase of \$36.3 million.

ATTORNEY TIME

- o For the first 11 months of FY 1991, attorneys and paralegals billed over 418 thousand hours prosecuting civil and criminal affirmative cases. The total time billed for all cases during this period was over 663 thousand hours. Thus, affirmative litigation consumed 63% of the total time worked by attorneys and paralegals.

By way of comparison, affirmative litigation comprises only 25% of the entire caseload of the division. Yet, a disproportionate amount of time is billed to these types of cases, as compared with the remaining types of cases. This is due to vigorous enforcement efforts by the lawyers in the Division who prosecute individuals, corporations and jurisdictions that violate environmental laws.

- o The complexity and time consuming nature of affirmative litigation is further demonstrated by the fact that attorneys and paralegals spend an average of 175.9 hours per case litigating affirmative actions, while spending only 100.8 hours per case on defensive actions.

SIGNIFICANT CASE RESULTS

Civil Litigation:

- o United States v. Sharon Steel, Et. Al. (D.Utah) - 3 settlements (Sharon Steel, UV Industries, and ARCO) totaling \$57 million in cost recovery and natural resources damages resolved our claims under Sections 106 and 107 of CERCLA relating to a mining waste site in Midvale, Utah. Ore milling and smelting operations were conducted from 1906 to 1972 -- we alleged that lead and other heavy metals in the wastes endangered the nearby residential area and local groundwater near Salt

Lake City, Utah.

- o United States v. AVX Corporation (D.Mass.) - This case was filed in December, 1983 by the United States and Commonwealth of Massachusetts seeking recovery of past and future costs at the New Bedford Harbor Superfund Site, for injunctive relief, and for natural resource damages resulting from the release of polychlorinated biphenyls (PCBs). On September, 1991, a consent decree was lodged with the District Court providing for the payment of \$66 million, plus interest of over \$4 million, for past response costs and natural resource damages. This settlement, once it is entered with the court, will represent an overall settlement of \$101.6 million, or 94% of all response costs incurred at the site.
- o United States v. Stringfellow (C.D., Cal.) -- This case was filed in April, 1983, by the United States and California against 30 defendants, 17 of them generators of hazardous waste. The case concerned a hazardous waste site in Riverside County, near the community of Glen Avon. In September, 1991, the District Court adopted the Special Master's recommendation to accept the stipulation between the United States and most of the defendants. The stipulation provides for the payment of \$47 million in past costs. Our prejudgment interest claim remains unresolved but, by adopting the stipulation, the vast majority of the United States's interests were resolved in our favor.

- o United States v. Bliss (E.D. Mo.) -- In December, 1990, the District Court granted the United States's Motion to Enter the Syntex and NEPACCO consent decrees in the amounts of \$10 million and \$2,500 respectively, in response costs (thereby clearing the way for Syntex to spend approximately \$100 million to remediate the Eastern Missouri dioxin sites). The court denied the second motion of the cities of Eureka and Fenton to intervene in order to challenge the settlement. On June 17, 1991, the Eighth Circuit affirmed.
- o United States v. Wheeling Pittsburgh Steel (E.D. Ohio) -- On July 16, 1991, a consent decree was entered in this Clean Water Act case. The decree includes a variety of injunctive measures to be met at the 3 plants addressed by the litigation, and includes audits of the company's statutory compliance at these locations. In addition, the settlement requires the defendant company to pay a civil penalty of approximately \$6.1 million, the largest Federal civil penalty ever assessed under the Clean Water Act.
- o United States v. Roll Coater (S.D. Ind.) -- In a March 22, 1991 opinion, following a December 1990 bench trial on liability and penalties for violations of the coil coating pretreatment standards, the District Court entered final judgment in favor of the United States, finding that Roll Coater had, for a period of 3 years, discharged effluent from its coil coating operations in violation of

Clean Water Act standards. The court imposed a civil penalty of \$2.1 million for those violations.

Criminal Litigation:

- o **United States v. International Paper** (D. Me.) -- Only July 3, 1991, pursuant to a plea agreement, the International Paper Company pled guilty to a five count felony information which included 3 counts of illegal treatment and storage of hazardous waste under the Resource Recovery and Conservation Act (RCRA), one false claim under RCRA and one false claim under 18 U.S.C. 1001. Also according to agreement, the company was sentenced to fines totalling \$2.2 million.
- o **United States v. United Technologies Corp. (Sikorsky Aircraft)** (D. Conn.) -- On May 14, 1991, UTC pled guilty to 6 RCRA felony counts charging illegal disposal of hazardous waste in connection with operations at UTC's Sikorsky Aircraft Division. Pursuant to the plea agreement, the court sentenced the company to a \$3 million fine (the largest fine ever imposed for full payment resulting from RCRA violations).
- o **United States v. Exxon Corp.** (D. N.J.) -- On March 20, 1991, Exxon pled guilty to 1 count of negligent discharge of pollutants under the Clean Water Act pertaining to a 567 thousand gallon heating oil leak into

the Arthur Kill and agreed to pay \$15 million in civil and criminal penalties. \$5 million is to be paid as part of the plea agreement. Of that amount, \$200 thousand is the Federal fine and the rest is for restitution to the States of New York and New Jersey and to the United States. At the time Exxon entered this guilty plea, it admitted that its negligence of employee training and equipment maintenance was the cause of the spill.

- o **United States v. Control Sewer and Pipe Cleaning, aka Control Disposal, Et Al.** (N.D. Tex.) -- On July 15, 1991, Control Disposal was sentenced to the maximum fine of \$1 million. The company's director was sentenced to 3 years' imprisonment and a \$75 thousand fine (maximum pursuant to the Sentencing Guidelines). This 21-count RCRA/CWA/Conspiracy indictment, included unmanifested transportation, unpermitted disposal and violations of national pretreatment standards under the Clean Water Act. The indictment charged the company with illegally pumping hazardous wastes and pollutants into restaurant customers' grease traps, among other illegal means of disposal, and concealment of their illegal activities.
- o **United States v. Marathon Oil Company** (S.D. Ind.) -- On May 28, 1991, a 3 count information and plea agreement were filed in which Marathon Oil agreed to plead guilty to 1 felony Clean Water Act

violation, knowingly bypassing the company's pretreatment system, and 2 misdemeanors, including discharge of a pollutant into a publicly owned treatment works (POTW) which created a fire or explosion hazard, and failure to notify the POTW of the bypass. The company also agreed to pay a \$900 thousand fine: \$500 thousand for the knowing bypass, and \$200 thousand for each of the 2 misdemeanors. Marathon also agreed to expend a total of \$3 million in the next 2 years to upgrade the waste water treatment system at its refinery.

- o United States v. Rogue Valley Circuits, Inc. (D. Ore.) -- On May 28, 1991, Rogue Valley was sentenced to a fine of \$1 million (credit for \$900,800 already paid or obligated for cleanup), 5 years probation, and a \$200 special assessment. In addition, defendants were ordered to perform all cleanup specified by EPA, dispose of all future wastes in a lawful manner, and perform quarterly sampling of well water within required time periods.

The corporation pled guilty on March 20, 1991, to a 2 count Resource Recovery and Conservation Act indictment charging it with one count of disposal of hazardous electroplating waste without a permit on a rural ranch in southwestern Oregon, and one count of transportation of the hazardous waste without a manifest.

- o United States v. Weyerhaeuser Forest Products (W.D. Wa.) -- On November 16, 1990, an information charging Weyerhaeuser with 5 misdemeanor Clean Water Act violations, a plea agreement and trust agreement were filed. Sentencing was imposed at the same time to \$500 thousand in fines and restitution. The charges stemmed from the discharge of red endseal paint into a slough that runs into the Chehalis River.

TRAINING

- o In January, 1991, the Division sponsored the 1991 Environmental Enforcement Conference in New Orleans, attended by 900 government attorneys, investigators (civil and criminal), and technical personnel across the country. The civil enforcement conference focussed on advanced Superfund issues, including secondary liability, enforcement of unilateral orders, natural resource damage cases, and cost recovery. In addition, one-half of the first day was devoted to basic RCRA issues.

OFFICE OF DEBT COLLECTION MANAGEMENT - JUSTICE MANAGEMENT DIVISION

- o The Office of Debt Collection Management's (DCM) primary mission is to run the private counsel pilot project mandated by the Federal

Debt Recovery Act of 1986 (FDRA), 31 U.S.C. Section 3718 (b). Its secondary mission is to operate as a research and development (R&D) shop to devise and test innovative debt collection techniques, which may, if demonstrated to be effective, be applied across the board to improve the Department's success in collecting debts owed to the United States and its various agencies.

- o The Central Intake Facility (CIF), which receives all civil debts referred for litigation in DCM's 7 pilot project districts, received 13,458 debts from our client agencies, with a referred dollar value of \$218.1 million.
- o The United States Attorneys' Offices and private counsel in the 7 pilot counsel project districts collected a total of \$41.9 million in cash.
- o The CIF processed 29,872 payments from debtors in the pilot districts, which relieved the United States Attorneys' Offices from having to do much of this work and thus enabled them to spend more time actually collecting debts and less on administrative functions.
- o DCM's Debt Accounting Operations Group (DAOG) monitored the operation of the lock box, which received 172,703 payments, totalling over \$716.6 million collected on debts by the United States Attorneys' Offices, private counsel, and the legal divisions. It also processed the 231,832 accounting transactions required to transmit the cash

collected to the Treasury Department, our various client agencies, and, in the case of restitution payments, to private businesses and individuals.

- o DAOG operated the Internal Revenue Service (IRS) Tax Refund Offset Program for the Department's components. In this program, DAOG processed 2,197 separate voluntary payments from debtors and 6,965 offsets, which resulted in \$5.1 million being collected from delinquent Federal debtors. In addition, DAOG processed 20,693 transactions submitted by Department components to reduce or delete debtors' balances in the IRS offset program.
- o DAOG processed the transactions associated with the Bureau of Prisons' Inmate Financial Responsibility Program, which collected over \$2.1 million in criminal fines from inmates in Federal prisons in some 48,359 separate financial transactions.
- o On October 1, 1990, DCM opened the Nationwide Central Intake Facility (NCIF) to receive civil debts our client agencies previously referred directly to United States Attorneys' Offices not participating in the private counsel pilot project. The NCIF has enabled the Department to accumulate, for the first time, a single, automated data base containing the number and dollar value of the debts referred to all 93 United States Attorneys' Offices for litigation.

- o The NCIF received 26,608 debts with a total referred dollar value of \$457.4 million from 33 Federal agencies. The NCIF captured certain data on these debts in its automated data base, rejected referrals containing insufficient information, referred those accepted to the United States Attorneys' Offices and/or private counsel for litigation, and sent acknowledgements to the agencies from which the debts had been referred.
- o The NCIF data base enabled the Department to persuade Treasury and the Office of Management and Budget that data our client agencies have been reporting to them through "Schedule 9" reports on the cases referred to Justice for litigation, are not accurate. An inter-agency joint task force has since been established to address the problem of reconciling "Schedule 9" data to Justice's reports.
- o From January through September, 1991, DCM staff participated in 16 seminars for over 1,000 Federal agency debt collection personnel across the country. These seminars, sponsored by Treasury's Financial Management Service (FMS), trained agency personnel on how to prepare and refer debts to the NCIF for litigation, and solicited their comments on proposed revisions to improve the Claims Collection Litigation Report (CCLR), the document agencies must complete to forward debts to Justice for litigation.
- o DCM completed the project of revising and improving the CCLR. With the help of Treasury's FMS, the new version was published and distributed to agencies for use in forwarding debt referrals after October 1, 1991.
- o DCM commenced a project to revise and improve the Federal Claims Collection Standards (FCCS), 4 C.F.R. Parts 101-105, which are promulgated jointly by the Attorney General and the Comptroller General. The FCCS instruct agencies on the procedures they must follow to collect their debts before referral to Justice for litigation, and the steps they must take to refer cases after all means (short of litigation) have been exhausted without successful collection of the debt.
- o DCM conducted training on the Federal Debt Collection Procedures Act of 1990 (FDCPA) for all of the private counsel participating in the pilot project.
- o With the help of Treasury's FMS, DCM began development of an automated system, using the NCIF data base, to implement the "debarment" provision of the FDCPA. This provision requires Federal agencies to check Federal loan applicants to see if they have unpaid judgments outstanding against them for to defaults on previous Federal loans. The "debarment" system will permit these agencies to check on this information through the NCIF data base via touch-tone

telephones.

- o DCM and its NCIF contractor developed an automated procedure at the NCIF to pull credit reports on every individual debtor whose debt is referred to the NCIF for litigation. As an "R&D" effort, copies of these credit reports are being sent to United States Attorneys' Offices and private counsel to determine whether such information will be of assistance in locating debtors, and, hence increase collections. After a six month period, DCM will be evaluating the effectiveness of the effort.
- o DAOG staff participated in a national training seminar on the BOP Inmate Financial Responsibility Program, designed to provide participants with an understanding of the role of the program in criminal fine collections, as well as to provide information on the types of programs funded at the local level through the Crime Victims' Fund.
- o DAOG staff participated in training seminars conducted by the Executive Office for United States Attorneys.

ANTITRUST DIVISION

- o The Antitrust Division continues its timely and complete collection of civil penalties. To date, the Division has not had an uncollectible civil penalty.
- o In FY 1991, the Division collected

almost \$20 million in civil penalties on 23 judgments. One enforcement order alone brought a penalty of \$10 million, which was paid in full immediately upon the judgment. This penalty was the highest single penalty collected to date by the Antitrust Division.

- o Total civil penalties collected in FY 1991 were more than 300% higher than in FY 1990, for approximately the same number of judgments.

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS: FINANCIAL LITIGATION STAFF ACCOMPLISHMENTS:

TRAINING

- o The Financial Litigation Staff (FLS) sponsored 13 training conferences on the Federal Debt Collection Procedures Act (FDCPA), attended by 482 United States Attorneys, Assistant United States Attorneys, and financial litigation agents. This training was funded through the Department's Debt Collection Activity Fund.

FLS also sponsored or participated in FDCPA training programs for legal division attorneys, Special Assistant United States Attorneys (SAUSAs), and Federal agency personnel.

Training on the FDCPA was scheduled to ensure that an AUSA and a paralegal specialist in each district had the opportunity to

receive training prior to the effective date of the Act. At least one attorney or paralegal in each district did receive training prior to this date. Within a week after the Act took effect, 80 attorneys from the legal divisions also received training on the Act.

- o FLS prepared a section analysis of the FDCPA and other related training materials.
- o FLS has trained nearly all of the United States Attorneys in Executive Sessions tailored to teach the Federal Debt Collection Procedures Act of 1990. The total number of United States Attorneys attending these sessions was 73 out of 93.
- o FLS also provided training to agency personnel on implementation of the increases in settlement authority accorded to agencies [31 USC. Part 3711(a)(2)] and re-delegations of settlement authority to United States Attorneys [28 CFR Part O Subpart Y].

FORMS AND REPORTS

- o FLS distributed form pleadings developed by United States Attorneys to implement the Act. FLS also coordinated with the Administrative Office of the United States Courts to solicit the statutorily mandated judicial approval of a form notice to implement the prejudgment remedies found in the FDCPA. FLS continues to monitor litigation and other implementation issues under

the FDCPA.

- o FLS participated with JMD and Treasury in redrafting the Claim Collection Litigation Report.
- o FLS improved the IRS Tax Offset Program by developing a machine-readable payment coupon and a more professional appearing notification form.

FORECLOSURE PROCEDURES

- o FLS and the Financial Litigation Subcommittee of the AGAC formed a working group to review proposed uniform procedures for the foreclosure of Federal mortgages and to draft legislation to address United States Attorneys' concerns in this area.
- o FLS finalized a Memorandum of Understanding between Justice and the Department of Housing and Urban Development (HUD). This MOU is in place and will result in the United States Attorneys' Offices beginning to litigate judicial forfeitures involving HUD single-family mortgage foreclosures. HUD had previously used private counsel in these cases. However, after 17 years, it has expressed an interest in having United States Attorneys Office expertise.

FINANCIAL LITIGATION PLANS

- o FLS assisted in and coordinated the development of Financial Litigation

Plans for each of the 93 United States Attorneys. These plans form the "blueprint" for a new emphasis on aggressive enforcement of debt collection and affirmative civil monetary enforcement for the United States by United States Attorneys' Offices.

- o FLS certified 78 of the 94 Financial Litigation Plans and submitted them to the Deputy Attorney General, in compliance with the Department of Justice Financial Litigation Plan and the USA's component Financial Litigation Plan.

PROBATION/CRIMINAL FINES

- o FLS monitored and supported joint AUSA/probation officer training to improve the enforcement of criminal fines and restitution. During FY 1991, 65 districts held joint training sessions, and nearly 3,000 criminal prosecutors, civil collection attorneys, United States probation officers and others were trained on how to ensure payment of fines and restitution imposed in Federal criminal cases. 17 additional conferences have been held or scheduled since the end of FY 1991.
- o FLS prepared the pamphlet "What You Should Know About Your Criminal Debts" for distribution to convicted criminals by the Bureau of Prisons. The pamphlet informs prisoners of the Federal criminal fine and restitution laws and the enforcement tools that will be used to collect these debts. It is currently

being translated into Spanish.

- o FLS and the United States Attorneys continued to serve on the Department of Justice/Federal Judiciary Criminal Fines Task Force. This group addresses criminal fine collection problems and seeks to coordinate corrective actions between the executive and judicial branches of government. During the past year, the task force has focused on implementing the National Fine Center and on the joint AUSA/probation officer training.
- o FLS and USAs have worked with the Administrative Office of the United States Courts in implementing the National Fine Center in 5 pilot districts. This involved drafting standard letters to criminal debtors, interpreting criminal fine collection laws, reconciling records in the USA's office with those of the Federal District Court, and reviewing computer systems and software.
- o FLS sponsored a training program on the enforcement of criminal fines and restitution for criminal prosecutors and civil collection attorneys. This conference focussed on the fashioning of enforceable plea agreements, the prosecutor's role at the sentencing hearing, post-judgment enforcement techniques, and Federal criminal fine and restitution statutes.
- o FLS participated in the Bureau of Prisons' training program of Inmate Financial Responsibility Program

coordinators. FLS alerted the coordinators to areas which require close communication with United States Attorneys' Offices, and instructed them in the criminal fine and restitution laws. FLS has had a representative from BOP speak at 3 of the conferences it sponsored to enhance coordination and communication on this program.

INTERNAL CONTROLS AND COORDINATION WITH DISTRICTS

- o FLS modified internal controls for Financial Litigation Units (FLUs) for the receipt and deposit of collection monies in the United States Attorneys' Offices.
- o FLS has used other technological improvements to personalize correspondence with the Districts.
- o FLS distributed an instruction pamphlet on the use of the Debt Collection Activity Fund to all districts.
- o FLS provided emergency evaluation follow-up to the Northern District of California, and routinely provided follow-up for other districts after evaluations.
- o FLS provided assistance to several districts, e.g., Maine, Northern District of Florida, through the Financial Litigation Assistance Program. FLS also provided this assistance through the regional specialists to the DC office.

- o FLS agreed to bulk Sentry requests using PROMIS-generated printouts, as a means of supporting efforts by the Districts of Northern Texas and Eastern Louisiana, to strengthen their criminal fine collection programs.

OTHER EFFORTS

- o FLS assisted in the efforts to have the FDCPA of 1990 passed through the legislative process.
- o FLS initiated use of the Debt Collection Activity Fund for asset and skip-tracing as well as training Department of Justice employees in debt collection.
- o FLS solicited estimates and proposed uses of the Debt Collection Fund from the United States Attorneys' Offices and Department of Justice legal divisions.
- o FLS completed the Memorandum of Understanding between Justice and the Farmers Home Administration on use of SAUSAs.
- o FLS assisted in conducting regional bankruptcy training conferences in conjunction with the Bankruptcy Working Group (an adjunct of the Financial Litigation Subcommittee of the AGAC) and the Office of Management and Budget working group.
- o FLS finalized development of pilot projects on affirmative civil monetary enforcement in the Western District of New York, the Middle

District of Pennsylvania, and the Central District of California, to concentrate on affirmative civil enforcement.

BUREAU OF PRISONS

- o During FY 1991, the Inmate Financial Responsibility Program (IFRP) surpassed \$50 million in collections. As of June 1, 1991, collections, since the inception of the program in 1987, totalled \$51,388,432. Since FY 1989, average monthly collections from Bureau facilities are \$1 million per month.
- o During FY 1991, participation rates for inmates reached an all time high. As of October 1, 1991, 21,834 inmates were identified as having some type of court ordered financial obligation. Of this total, 18,839 (or 86%) were making payments toward these obligations.
- o As of October 1, 1991, over 26,000 inmates, currently in BOP custody, have been identified as fully satisfying their financial obligation.
- o During FY 1991, collections from inmates making payments on financial obligations through institutional earnings only (i.e. UNICOR, etc.) were approximately \$3 million. This is almost 2 times higher than in FY 1990. The average monthly payment for inmates making payments from institutional earnings is \$45 per

month.

- o In May, 1991, under the leadership of Paul Horner, Chief of the Inmate Financial Responsibility Program, the BOP conducted the first national IFRP Symposium. This entailed a 3 day training session for key institutional staff from 45 Bureau facilities. Other Justice components involved in this training included the Executive Office for United States Attorneys, Financial Litigation Staff, and the Office for Victims of Crime (JMD). Another similar training session is scheduled for FY 1992.

IMMIGRATION AND NATURALIZATION SERVICE

- o The Service entered into a settlement agreement on June 17, 1991, regarding immigration appearance/delivery bonds written by the International Fidelity Insurance company (IFI). This agreement was between the Service and Atlas Bonding Agency (Atlas), an affiliate of IFI, for the benefit of the Service and IFI/Atlas.

This agreement calls for payment of \$7 million to Justice, in return for the Service canceling \$7.1 million of currently breached IFI appearance bonds. The payment schedule calls for an initial payment of \$2 million, which has already been received, and yearly payments of \$1 million until the balance is paid.

Trial Attorney Keith Sickendick of

the Civil Division's Commercial Litigation Branch did an outstanding job negotiating this settlement. Supporting Keith were attorneys of the Commercial Division of the INS General Counsel's Office, led by Associate General Counsel Michael Coster, the Division Chief.

- o Between April 1, 1991 and September 30, 1991, INS conducted the following activities to improve debt collection and reduce the amount of debt written off as uncollectible:

- Effective June 1, 1991, the accountability for accounts receivable activities was consolidated from 4 regions into 2 regions. Southern Region's accounts receivables were transferred to Eastern Region and Western Region's accounts receivable were transferred to Northern Region.
- Effective July 1, 1991, the accountability for bond activities was consolidated from 4 regions into 2 regions. Southern Region's bond activities were transferred to Eastern Region and Western Region's bond activities were transferred to Northern Region.
- During August and September, both Eastern and Northern Region completed mass dunning processes on the receivables received from

Southern and Western Regions.

- During this period, a statement of work for contractual support to develop and implement a centralized automated system for a Bonds Management Information System (BMIS) and a centralized automated system for an Accounts Receivable Debt Collection System (DCOS) was prepared. A contract was signed with CDSI, Rockville, Maryland during September.

- o During FY 1991, INS reported new receivables of \$69.045 million in 23,081 new accounts. During the year, \$54.962 million from 23,606 cases resulted in payments remitted.

CONCLUSION

This report emphasizes the accomplishments of the Department of Justice during FY 1991, and points to the future goals which we hope to achieve in FY 1992 and beyond. There has been tremendous success during the past year, and future increased collections and efficient management of the Department's financial litigation efforts is foreseen.

This progress achieved in FY 1991 would not have been possible without the commitment of the Attorney General and Deputy Attorney General, the Office of the Deputy Attorney General, the hard work of the Department's financial litigation attorneys, the commitment of the Offices of Policy Development and Legislative Affairs, the Justice Management Division, and the litigating divisions.

Given the enhanced collection tools enabled by the FDCPA, the comprehensive training undertaken during the year; the overall guidance and stated objectives of our financial litigation efforts through implementation of the Department's Financial Plan, the continued success at the NCIF its potential enhancement to enable more efficient tracking of case referrals, and the introduction of improved collection approaches within the availability of resources, the Department is committed to the mission of successfully litigating and collecting the outstanding debts owed to the Federal government.

APPENDIX I:

TRAINING CONDUCTED BY THE DEPARTMENT OF JUSTICE

FY 91 AGGREGATE OF TRAINING CONFERENCES HELD BY THE EXECUTIVE OFFICE OF UNITED STATES ATTORNEYS

| CONFERENCES | LOCATION | DATE | ATTENDEES |
|--------------------------------|--------------------|---------------------|-----------|
| TRAIN THE TRAINERS | WASHINGTON, DC | 02/27/91 - 03/02/91 | 29 |
| FDCPA/AUSA/PARALEGALS | NEW ORLEANS, LA | 04/02/91 - 04/04/91 | 58 |
| FDCPA/AUSA/PARALEGALS | DALLAS, TX | 04/23/91 - 04/25/91 | 61 |
| EXECUTIVE SESSION | KANSAS CITY, MO | 05/14/91 | 21 |
| FDCPA/AUSA/PARALEGALS | KANSAS CITY, MO | 05/14/91 - 05/16/91 | 57 |
| FDCPA/CIVIL DIVISION | WASHINGTON, DC | 6/4/91 | 80 |
| FDCPA/AUSAs | SAN FRANCISCO, CA | 06/10/91 - 06/14/91 | 47 |
| EXECUTIVE SESSION | CLEVELAND, OH | 06/26/91 | 15 |
| CRIMINAL FINES & RESTITUTION | TACOMA, WA | 07/24/91 - 07/25/91 | 40 |
| ADVANCED/FDCPA/FL AGENTS | BALITMORE, MD | 07/29/92 - 08/02/91 | 60 |
| EXECUTIVE SESSION | THE LAKES, NV | 08/21/91 | 35 |
| ADVANCED/FDCPA/FL AGENTS | CLEVELAND, OH | 08/26/91 - 08/30/91 | 51 |
| ADVANCED/FDCPA/FL AGENTS | FT. LAUDERDALE, FL | 09/23/91 - 09/27/91 | 56 |
| TOTAL NUMBER OF CONFERENCES 13 | | | 610 |

TYPES OF TRAINING CONFERENCES

| CONFERENCES | NUMBER OF CONFERENCES | ATTENDEES |
|--|--------------------------|----------------|
| TRAIN THE TRAINERS | 1 | 29 |
| EXECUTIVE SESSIONS FOR US ATTORNEYS | 3 | 21 15 35 |
| | | 71 |
| FDCPA FOR AUSAS/PARALEGALS | 3 | 58 61 57 |
| | | 170 |
| FDCPA FOR AUSAS | 1 | 47 |
| ADVANCED/FDCPA FOR FL AGENTS | 3 | 60 51 56 |
| | | 167 |
| CRIMINAL FINES & RESTITUION/ CRIMINAL & CIVIL AUSAs | 1 | 40 |
| FDCPA FOR CIVIL & TAX DIVISION ATTORNEYS | 1 | 80 |

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS
FEDERAL DEBT COLLECTION PROCEDURES ACT
AUSA Instructors

October 29, 1991

| Name | Total | District | 2/27 | 4/2 | 4/23 | 5/14 | 5/14 | 6/11 | 6/26 | 7/29 | 8/21 | 8/26 | 9/23 | 11/4 |
|-------------------------|-------|----------|------|-----|------|------|------|------|------|------|------|------|------|------|
| Laurie Barrett | 4 | NE | * | * | | | | | | * | | | * | |
| Ann D'Arpino | 4 | MA | * | | * | * | | | | | | | * | |
| Carol A. Davilo | 4 | IL/ND | | * | | * | | | | | | | * | * |
| Kristin Davis | 7 | IA/ND | | * | | * | * | | | * | * | * | | * |
| Mary F. Dooley | 4 | NY/ED | * | * | | | | | | * | | * | | |
| Timothy E. Feeley | 4 | KY/WD | * | * | | * | | * | | | | | | |
| S. Mark Gallinghouse | 5 | LA/ED | * | * | | | | | | * | | * | * | |
| James A. Gibbons | 4 | PA/MD | * | * | | | | | | * | | | * | |
| Daniel D. Hollingsworth | 5 | NV | * | | * | * | | | | | * | * | | |
| Marcia W. Johnson | 5 | OH/ND | * | | * | | | | * | | | * | | * |
| Henry D. Knight, Jr. | 5 | SC | * | | * | | | * | | * | | | | * |
| Phil Klingeberger | 5 | IN/ND | * | | | * | * | * | | | | | * | |
| Virginia R. Powel | 4 | PA/ED | * | * | | | | * | | | | | * | |
| Debra J. Prillaman | 4 | VA/ED | * | * | | | | | | | | * | | * |
| Alex Rokakis | 4 | OH/ND | * | | * | * | | | | | | | * | |
| S. David Schiller | 3 | VA/ED | * | * | | | | | | | | | | * |
| William W. Siler | 3 | TN/WD | * | * | | | | | | | | * | | |
| Diane E. Tebelius | 3 | WA/WD | * | | * | | | * | | | | | | |
| Mary T. Wynne | 5 | SD | * | * | * | | | * | | * | | | | |
| Robert M. Hollis | 3 | CIVIL | * | * | | | | * | | | | | | |
| TOTALS | | | 18 | 13 | 7 | 7 | 2 | 7 | 1 | 7 | 2 | 7 | 8 | 6 |

| Date | Site | Conference Type | Date | Site | Conference Type |
|------------|-------------------|------------------------|------------|--------------------|---------------------|
| 2/27 - 3/2 | Washington, DC | Train the Trainers | 7/29 - 8/2 | Baltimore, MD | FDCPA - F.L. Agents |
| 4/2 - 4 | New Orleans, LA | FDCPA - AUSA/Paralegal | 8/21 | The Lakes, NV | FDCPA - USA |
| 4/23 - 25 | Dallas, Texas | FDCPA - AUSA/Paralegal | 8/26 - 30 | Cleveland, OH | FDCPA - F.L. Agents |
| 5/14 - 16 | Kansas City, MO | FDCPA - AUSA/Paralegal | 9/23 - 27 | Ft. Lauderdale, FL | FDCPA - F.L. Agents |
| 5/14 | Kansas City, MO | FDCPA - USA | 11/4 - 8 | Atlanta, GA | FDCPA - F.L. Agents |
| 6/11 - 13 | San Francisco, CA | FDCPA - AUSA | | | |
| 6/26 | Cleveland, OH | FDCPA - USA | | | |

**Chronological Listing of
Joint AUSA/Probation Officer Training Sessions**

| <u>Date</u> | <u>District</u> | <u>Total Attendance</u> |
|-------------|--------------------------------|-------------------------|
| 5/8/90 | Pennsylvania/Eastern | 60 |
| 9/25/90 | Virginia/Western | 23 |
| 11/7/90 | Alabama/Northern | 50 |
| 11/8/90 | New York/Western | 34 |
| 11/14/90 | Alabama/Middle | 35 |
| 11/15/90 | Texas/Western | 75 |
| 11/16/90 | Arizona (Phoenix) | 25 |
| 11/29/90 | Arkansas/Western | 26 |
| 11/29/90 | Iowa/Northern and Southern | 44 |
| 12/7/90 | Arizona (Tucson) | 25 |
| 12/12/90 | Indiana/Southern | 30 |
| 1/29/91 | Nebraska | 12 |
| 2/15/91 | Florida/Northern | 34 |
| 2/19/91 | Georgia/Northern | 58 |
| 2/26/91 | Mississippi/Southern | 42 |
| 3/13/91 | Kentucky/Eastern and Western | 58 |
| 3/15/91 | South Dakota | 35 |
| 3/19/91 | Georgia/Middle | 32 |
| 4/12/91 | Arkansas/Eastern | 7 |
| 4/15/91 | Mississippi/Northern | 24 |
| 4/18/91 | Pennsylvania/Middle (Scranton) | 15 |
| 4/23/91 | Illinois/Central | 53 |
| 4/26/91 | North Carolina/Eastern | 53 |
| 5/2/91 | Utah | 44 |

| | | |
|---------|------------------------------------|-----|
| 5/8/91 | Tennessee/Middle | 32 |
| 5/8/91 | Wisconsin/Eastern | 25 |
| 5/8/91 | Pennsylvania/Middle (Williamsport) | 10 |
| 5/9/91 | California/Southern | 70 |
| 5/10/91 | Connecticut | 65 |
| 5/14/91 | Kansas | 47 |
| 5/17/91 | Minnesota | 70 |
| 5/21/91 | Guam | 8 |
| 5/21/91 | Texas/Northern (Dallas) | 48 |
| 5/21/91 | Louisiana/Eastern | 75 |
| 5/29/91 | Pennsylvania/Middle (Harrisburg) | 16 |
| 5/30/91 | Missouri/Western | 52 |
| 5/30/91 | Michigan/Western | 12 |
| 6/4/91 | Texas/Northern (Fort Worth) | 39 |
| 6/4/91 | Washington/Western | 47 |
| 6/12/91 | Alaska | 52 |
| 6/13/91 | District of Columbia | 120 |
| 6/20/91 | Virgin Islands | 25 |
| 6/24/91 | Florida/Middle | 120 |
| 6/27/91 | Idaho | 21 |
| 6/28/91 | Illinois/Northern | 177 |
| 7/26/91 | Oregon | 60 |
| 8/8/91 | Oklahoma/Northern & Eastern | 56 |
| 8/15/91 | Wisconsin/Western | 19 |
| 8/15/91 | Texas/Eastern | 42 |
| 8/29/91 | Illinois/Southern | 47 |
| 9/10/91 | Tennessee/Eastern (Chattanooga) | 55 |

| | | |
|----------|------------------------------|-----------|
| 9/11/91 | Georgia/Southern (Brunswick) | 32 |
| 9/12/91 | Montana | 30 |
| 9/13/91 | Louisiana/Western | 10 |
| 9/13/91 | Louisiana/Middle | 12 |
| 9/19/91 | Washington/Eastern (Spokane) | 38 |
| 9/19/91 | Florida/Southern (Miami) | 100 |
| 9/19/91 | New Hampshire | 6 |
| 9/19/91 | Vermont | 15 |
| 9/20/91 | Ohio/Northern | 60 |
| 9/20/91 | Maryland | 80 |
| 9/24/91 | Oklahoma/Western | 40 |
| 9/25/91 | Virginia/Eastern | 75 |
| 9/26/91 | Colorado | 48 |
| 9/27/91 | Texas/Northern (Lubbock) | 21 |
| 9/27/91 | Alabama/Southern (Mobile) | 50 |
| 9/30/91 | Massachusetts | 70 |
| 9/30/91 | Indiana/Northern (Hammond) | 70 |
| 10/1/91 | North Dakota | 26 |
| 10/1/91 | Maine | 25 |
| 10/10/91 | Rhode Island | 20 |
| 10/11/91 | West Virginia/Southern | Postponed |
| 10/11/91 | West Virginia/Northern | Postponed |
| 10/23/91 | Oklahoma/Eastern | |
| 10/23/91 | Texas/Southern (Houston) | |
| 10/24/91 | New Jersey | |
| 10/29/91 | Tennessee/Western | |
| 10/30/91 | Delaware | |

| | |
|----------|----------------------------|
| 10/31/91 | New Jersey |
| 11/1/91 | New York/Southern |
| 11/5/91 | New Hampshire |
| 11/7/91 | Ohio/Southern (Columbus) |
| 11/7/91 | Pennsylvania/Western |
| 11/13/91 | Michigan/Eastern (Detroit) |
| 11/14/91 | California/Northern |
| 11/18/91 | New York/Northern |
| 11/20/91 | Wyoming |
| 12/91 | North Carolina/Western |

NUMBER OF ATTENDEES (as of 10/18/91):

| | |
|----------------------|-----------|
| FY 90 Total | 83 |
| FY 91 Total | 2998 |
| <u>FY 92 to Date</u> | <u>71</u> |
| Grand Total | 3152 |

NUMBER OF SESSIONS (as of 10/18/91):

| | |
|---------------------------|-----------|
| FY 90 | 2 |
| FY 91 | 66 |
| FY 92 to Date | 3 |
| <u>Scheduled in FY 92</u> | <u>20</u> |
| Total Sessions | 91 |

Districts with No Scheduled Training

California/Central
Hawaii
Missouri/Eastern
New York/Eastern

END

FILMED

08 / 14 / 92